

## TRANSCRIPT

# Finding real-time trading ideas in Active Trader Pro®

*Speakers: James Savage & Chase Cotnoir*

**James Savage:** Let me use this moment to introduce myself just so everyone can put a name to the sound that they're hearing. This is James Savage. And I am accompanied by my colleague Chase Cotnoir. Chase, why don't you just say hi first?

**Chase Cotnoir:** Yeah, absolutely, James, no, it's great to be here. Thanks, everyone, for spending some of your time, I know we all have busy schedules these days, but it's a great opportunity to be here today to present to you just another tool that Fidelity offers for you to enhance your research process and take that extra step to hopefully improve or reinforce some good habits in your trading process. But James, I want us to maybe set the stage for what we're doing here today, so I'll give it away to you. And then we'll hop into some live demo later on today.

**James Savage:** Appreciate that, Chase. And if anyone is interested in attending our sessions hopefully you do bookmark that coaching session link. They are somewhat similar to this webinar format. However, what's great about our coaching sessions is in addition to us presenting on a particular topic such as

technical analysis, tool demos, options, trading basics, and our morning and after-market briefings, we are live, we turn our cameras on, we answer questions in real time, it's a bit of a smaller class so we can usually sometimes focus on a one-on-one example that someone in the audience may submit to us. We definitely invite you to join us in any of our four, five, sometimes six sessions that we have Monday through Friday.

Now focusing on the topic at hand. So, let's switch over to our agenda. So, our theme today is going to be finding and analyzing trade ideas within the Active Trader Pro platform. If any of you have Active Trader Pro up on your computer, you can try to follow along with us. If not, we're going to be showing and demoing Active Trader Pro. Chase is going to be demonstrating his Active Trader Pro as we go through some of the various tools. And because our topic is finding and analyzing trade ideas, we want to really focus primarily on these three main tools that you see. That is going to be the filters tool, the real-time analytics tool, and Trade Armor.

Now the first two, the filters and the real-time analytics tool, are going to be where we're going to spend the bulk of our time. Now these are fairly comprehensive scans that are going to be able to take place across the entire market, your positions. You could scan particular indices as well just to give a

few examples of the capabilities of these tools. And they're going to be looking for factors that might be important to you. So, I want everyone to keep in mind as we're demonstrating how we can use these tools. Chase and I are going to try to give examples of how you can apply it in your own trading. I want you to think of it in the back of your mind, how you could possibly take some of these thoughts that you're seeing, possibly some of the filters that are being used in the filters tool, and how you can then forward it and apply it to your own trading process and then creating your own then eventually plan to trade. And that's where we're going to bring in the Trade Armor where we talk about how we move from our finding and analyzing the trade to the actual implementation of that trade. Not only entrance, but one of the most important things of any trader is managing risk. So, Trade Armor is a great tool where you can focus on that exit strategy component. So, we're really going to try to have this entire trade process brought together as we focus on some of these two primarily scanning tools, the filters and the real-time analytics.

Now we are going to be spending a lot of time going into the demonstration as I mentioned earlier, so there is going to be that demo component. This should pop up automatically once Chase starts the screen share. But if not, you can find it and expand it as well. But now that I've set the stage let me

hand it back over to Chase to really take us into Active Trader Pro and introduce us to some of the tools that we're going to be looking at today.

**Chase Cotnoir:** Yeah, absolutely, James, and again I just want to reintroduce myself.

Chase Cotnoir, another member of the Trading Strategy Desk. And I want to echo your warm welcome to everybody. We definitely know these are busy times, so we appreciate you taking the time out of your busy schedule to be with us here today. And I'm really excited to go through some of these different trade idea tools that we have in Active Trader Pro. I hope everyone can see my screen share just fine here. As of now this is Active Trader Pro. I've got a blank screen or a blank background. And we're going to work through some of the navigation to these tools, how do you utilize them. And then as James really stressed, the importance of why we can apply that to our trade, what's really the takeaway for us. And for anyone who doesn't have access to Active Trader Pro now would be an excellent time to make sure you download the platform. Anyone has access to it for our clients, you just simply sign in. You can download it onto your computer.

So, starting with the very first tool, that's going to be our filters tool. And this is a tool where if you're just trying to get some idea, some different trade in front of you, something you don't know exactly what you're looking for, you want a

list, this is the tool that may help. Now from a navigational perspective we go up here into where it says quotes and watch lists. And we'll see there's a filters drop-down.

Now when we go ahead and click on this it's going to give us this pop-up. And there's a number of tabs here. Now James and I, we already prepared the session here, so we have our own version. But just know any time you open up a new tool it'll typically open up in the top left corner. So, when this first loads up here for us, by default it's going to be on this markets tab. And there's a few other tabs, and James and I are going to work through each of these for some time.

Underneath the tab there are submenus to choose from. And this is going to be a common theme, so I want everyone to be comfortable with how this works. So, for example, under markets we're looking at most actives. Now what does this really mean for us? Well, most actives is looking at volume. Specifically, it's looking at securities across all marketplaces that have the greatest number of shares traded. And it can be across all the different major indexes or different exchanges. So, for example if we click on this across all markets, we can see there's a number of different choices that we could choose from if we didn't want to keep it across everything.

But just for now we can see defaults. We have a number of different securities. It gives us the volume and all the other data with it. A few housekeeping items when it comes to navigation. These columns can be moved around. You simply left-click, drag, and slide. And certain columns can be sorted. So, for example this volume column has this arrow pointing, this caret. If we click on this that allows us to sort through this tool. Now of course in this case it's volume. We have it from high to low. But know that you can change that around if you want.

Now let's say for example, James, that you're a trader, but you don't want to look across all markets. If we go in here and we change this, let's just say the Nasdaq 100, let's use that for an example. Well, now we're focusing on just about 100 securities or so and looking at their volume, okay? And again, we still have those same sorting features. So right from the get-go this tool is going to help us see what are traders out in the marketplace trading. And there are certainly some days where there's a security that you may not expect to have a lot of volume. Something to keep in mind with this tool is that it does filter and automatically update at least every 60 seconds, and this does include pre-market and post-market activity with regards to price and volume. So, you actually can come in here in a premarket, take a look at what's trading.

That might set your day up to have more focus on one security over another. If you see something that normally doesn't trade very much and suddenly there's a lot of volume, well, that might tip you off to think okay, maybe something's going on, let me go ahead and check the news, let me take a look at the chart in the premarket, etc. So, this is one way to use this tool.

But there's many different choices and drop-downs. So, I don't want to spend too much time on any single choice, and just know that as we're going through today this is really just the tip of the iceberg. This is just the introduction to these topics. Know that we encourage anyone to come in here and explore these tools further.

So, if we change it from most actives, for example let's look at the 52-week highs. Now when we choose this filter by default it starts by looking only at securities between \$5 and \$20 per share. And we have our list. So, these are going to be securities that have made a 52-week high today. And they're currently trading between those two per share values.

Now also keep in mind there are some other criteria this will look at. So, they must have an average trading volume over the past 20 days that exceeds

100,000 shares. And must have a minimum daily volume of at least 10,000 shares. So, there's other things that this is considering in the background.

Something to note is over on the right side there's a column here that says 52-week low. Now the reason this is here is so we can contrast well, if this is its recent high today, how long ago since its lowest point in the past 52 weeks. And this can help us contextualize the journey these securities have been on. Now if you're not interested in low-priced securities you certainly can change it to be \$20 a share or more, and we'll certainly see there's securities that can be much more pricey than just the current range we were looking at.

Now keep in mind still has that low date, has other pieces of data as well. Some of them you might find more important than others. Again, you can move those to what is your liking, that's one of the benefits. This is still fully customizable for anyone who's using these types of tools. Now that's the 52-week high, we look at the 52-week low. It's essentially the antithesis, it's the opposite. We have the \$5 to \$20, the \$20 above, but in this case, it's focusing on securities that have made their low recently. But we do have that 52-week high date as well to say if today is the low how long has it been since it's been at its highs from the 52-week perspective.



And so the way that you would use these securities -- or this filter, excuse me -- is if you want to trade something that maybe is at a really really good bargain, it's a really low-priced security relative to its history, maybe these lows will signal to you this has been a beaten down security, if you're one of those types of value investors maybe this is something you're looking for.

But what we'll notice is that these in themselves should not be all-encompassing in your trading research, your investment research. This is one data point. We would certainly encourage you to take this and apply it to the rest of your trading methodology to complete your holistic research, to really have a complete outlook on the security.

A few other categories I want to look at are down here at the bottom. We've had a lot of interest recently when James and I have our one-on-one sessions about how do we measure sentiment. So specifically, we're going to focus here on the highest social sentiment. Now this is quite interesting here.

There's a number of different ways someone might attempt to define sentiment. We could look at the price of the stock, we could look at the chart, many different ways. But in this case, this highest social sentiment, we're actually looking at something called an S-Score. Now these are scores for any securities within the Russell 3000 universe of securities. Now this S-Score as I

mentioned, this is actually provided by a third party called Social Market Analytics, a third-party independent provider of this data. And what they're essentially doing is looking at different social media platforms, okay? And they're creating a scale of positive opinions versus negative opinions. Now a negative opinion on the low end of the scale could be a negative 4.25, but the positive could be a positive 4.25. And they indicate that any security with a score that has a positive 3 or above would be extremely positive. But if it's below negative 3 that would be extremely negative. Anything between negative 1 and positive 1 are seen as neutral. Now you might be asking, "Well, how do you memorize all that information? That seems quite complex." And this is a great opportunity to discuss this descriptions button right here.

If you click on this, it will give you a quick link to Fidelity.com with descriptions on all these different types of filters. So, if I actually scroll down here, we'll be able to find together we do have those different social sentiment scores, and you can get the definition that you're looking for. So, if there's a type of filter you like or are interested in or just don't quite understand, know that we have that support under descriptions.

So, if you're trying to find a security that social media participants are really respecting, speaking well of, this high social sentiment could be where you get

your idea from. Conversely, we do have this low social sentiment. It's just the opposite, what are securities that people on social media really don't appreciate, they're talking badly about, they don't respect them as companies, etc. Maybe that's what you're looking for in terms of an opportunity, depending on the type of trader that you are.

So, as I mentioned just in this markets tab there's a number, a whole host of different choices. And today we've really only gone over five. But we've got a whole 'nother tab to go over. In fact, a few more to cover. So, I want to hand it back over to James to talk about the technicals tab.

**James Savage:** Yeah, Chase, you really hit the nail on the head there when you mentioned there's a lot in each filter. And that's why in our coaching sessions we will sometimes spend just a whole block, either 30 minutes or an hour, just on one tool. We can really go into a bit more of a comprehensive dive into what the tool is trying to tell us and how we can apply it. But today our goal is to really cover over some of the more important things to take note. And then we'll build on those. Now Chase, I'm glad you took me over to technicals. This is something that our desk is a big fan of, we enjoy technical analysis, looking at technical indicators, reading charts.

So, when we're talking about technicals it's going to be very helpful to have a chart up on our Active Trader Pro. So good news, everyone. We did have a chart somewhat ready for you. However, you can always enter a new chart if you are trying to follow along with us. So, we'll have a chart, and it should be popping up for everyone now. Because there's going to be some ways, we're going to use what the technical filters are showing us and we're going to be able to not only double-check it but also look at a chart to help us with our overall thesis. There's one other little trick that we want to do to make our life easier when it comes to moving from the filters over to the charts. So, Chase focusing up on that far left corner of our chart. Right where we put in our symbol. There's a little button in there. Now what ends up happening -- that's perfect. What ends up happening, when we click on that button, we're going to get this drop-down menu for a variety of choices. So, we've got these linking tools. We can link to various colors like blue, orange, purple. But then there is a more particularly unique characteristic of that link to gray tools. When we link our charts or really anything for that matter that has a linking functionality to gray tools, that allows us to connect to other types of windows such as our positions, our watch list, and no coincidence here, our filters. And it allows us to quickly scan through multiple stocks. So, since it started on the uptrend stocks, let's talk a little bit about this. And we can apply what we can use and then how we can use this in Active Trader Pro.

So just a quick description here. When we're talking about these uptrend stocks this is trying to find stocks that are trading with a current volume of at least either 15 or 30 percent higher than a one-month average intraday volume. So, what that means is these are stocks that are trading above average. Higher than their average, either 15 or 30 percent.

In addition, you'll notice that 3 and 5 percent figures there. This is also looking at stocks that are trading at least 3 percent higher or 5 each day for both today and the previous two trading sessions. Now a similar theme amongst these is that this is going to be only covering stocks that are trading above \$1 and that have an average daily volume above 200,000 shares. So, it wants to see some bit of activity.

But let's find something that has been moving quite a bit. Maybe if we were to go to something like a 5 percent move, let's look for the biggest moves. We'll still keep it at 15 percent volume. If we were to go to a 5 percent move on 15 percent higher volume, we're going to get the list of stocks down below. Now as Chase mentioned we could sort these if we wanted to. Can sort it by volume, we can sort it by last price for that matter. But how someone may use this, especially with that linking tool that we just showed, we could just start

selecting some of these securities. Now I'll have Chase, we can just start clicking on them. Now keep in mind, everyone, this is just for illustrative and educational purposes only. So, these charts that we're showing, this is just to illustrate how it relates to on the filters tool and connect to the chart. So, it really doesn't matter the symbol. Hence why we removed it from our chart. It's just meant to show what we're seeing. And do you notice some similar themes, everyone? We just went through the top about five first ones that were mentioned. Well, we're looking for uptrend stocks. So, we'd expect there to be upward movement, bullish movement in the security. And just with that name of being at least 5 percent higher each day for today and the previous two days we're expecting to see large green candles. These are large intraday moves. And/or gaps in price. Those little blank spaces between those candles. So, it's signifying that we're seeing not only large overnight moves but possibly both large overnight and large intraday movements. So how could someone use this tool? Well, if you found now stocks that are exhibiting these uptrend characteristics, well, you could then start putting them in your other type of criteria. Maybe your own trend or volume, volatility, or momentum analysis. Maybe even some fundamental analysis. To then build on your own research to finally hone in on a stock that could be worth purchasing for you.

Now there's quite a few others as well. So, I definitely want to compare and contrast some of the other choices that we have here. And one of them is something similar. And I like comparing just one down below is our short-term uptrend. Now for anyone just to give a quick description of what we're talking about here, very similarly, we have something on the right side. But now we're really just focusing on volume. Either 20 percent higher volume than the one-month average or 40 percent higher volume than the one-month average. So again, we're looking for large spikes in volume which can signify that there is an increased activity. As Chase mentioned talking about the most actives, there could be something going on here that could really be of interest to us.

And in addition, just to quickly talk a little bit about what this is doing, it's now looking for in addition to the volume a stock that has successively higher day lows for today and the previous two trading days. So again, for these illustrative purposes if Chase were to just start double-clicking on those symbols, we're going to see stocks that are somewhat similar in nature to what we saw in the previous one. We want to see these spikes in price. So, we're trying to see these higher day lows. So, what would you expect to see, just more shorter timeframe but great movement as well, large movement, large candles, gaps in price on the upside? So, we can use it in a similar fashion to the previous example of the uptrend stocks, just we might want to think well,

this was meant to be more of a shorter timeframe, because now we're just looking at a shorter-term uptrend. Again, hopefully these various choices as we clickthrough randomly here, it can give you that example.

However, maybe you're like me, in addition to some volume and price analysis you want to look at some indicators. Well, not too far down we have some indicator examples as well, such as the moving average crossover upside. Now what's a little bit different regarding these choices is that it may require a little bit of -- I guess I would just say some previous technical analysis experience. And why is that? Because if you're not familiar with moving averages, well, you might not necessarily know exactly what is being stated here.

So, a moving average is something that is commonly talked about among technicians even among the major news networks as a way to tell us how the trend is moving, the direction, the strength, the length of the trend for example. Hence why we're giving you three different timeframes. If you click on that right box not only do we see the 20 and the 50 which is what is displayed, we can see the 50 over the 200, the 20 over the 200, so various different types in this case upside so bullish types of crosses. In addition,



we're getting that typical that we're probably a little more familiar with now, the higher volume component.

So, if we were to keep it on the -- we can keep it on the 20 and 50. Just the very first one that came through on the 15 percent higher volume. And let's take a look whatever is the -- we can work with the first stock that was chosen here. And just for illustrative purposes. So, keeping with that functionality that the gray tool allows us if we double-click, well, it's somewhat tough to see maybe in a chart like this. But we can see that that 20 SMA in this case. Even if we go to the next stock, I think that might be a little easier. There. Perfect. That 20. I'm sorry. Exponential moving average. Which is what's used in this tool. So, our exponential moving average or 20 is crossing from below through and above our 50 moving average. So, we've got a shorter crossing through and above a longer moving average in this case. Now what is this telling us? So for any student of technical analysis you would know that when we have a shorter moving average crossing from below through and above a longer days moving average that is a bit of a bullish signal that price could be either starting to trend or is trending now upward in a bullish direction.

So, whether you're using this timeframe or others there's really no best timeframe to use. Each timeframe can be used for a different trader's -- well,

we can say just more typical trading horizon. Some folks only want to be into stocks for a couple of days. Others want to be couple of months. Others a couple of years. There's no best timeframe. But we give you these choices so you can adapt it to your own trading style. And we've already covered a few of these. Let me just show one more just to really show the depth of this tool. Something that I've always seen some interest in clients is the parabolic SAR. So if we were to go to the bullish parabolic SAR and again perfect, we've already got a chart here with that indicator, so similar to the moving averages this one it is helpful to know a little bit about what this technical indicator is telling us. Now this is a trailing stop-based trading system. It was developed as that type of place that you could put a trailing stop at. However, this is oftentimes used a trend indicator as well. So, it's named the parabolic stop and reverse because when it is plotted on a chart these stop levels which are those dots resemble a parabolic curve, hence why the name parabolic stop and reverse.

So, what we're trying to really take from now the filters is that this tool is telling us and it's scanning for stocks that have broken through that parabolic stop and reverse those points. So, when prices cross above that stop and reverse level for the first time in the past two weeks. So, if you're using this as also a type of method of trend, when it breaks above that upper PSAR in this case,

that value, that could be the signal that we might be in a bullish trend. Now like all of these indicators that we're talking about here we don't necessarily want to just trade just because we saw it here in one time. One indicator does not make our decision. We still want to then apply some of possibly what we found, some of the stocks that we found, into our own methodology. Again, we are big fans of technical analysis. Maybe you want to incorporate some momentum analysis in here as well. Look for possible future support or resistance levels. Find possibly reversal points. Maybe peaks and troughs. Just to name a few various types of examples. But this filters tool, it's certainly doing something that for us to scan through on our own without the help of this tool, to scan through the stocks in a particular watch list, or maybe an indice or sector for example, it could take us hours. You've got the benefit of using Fidelity's own system to help make our trading life a little bit easier. Let's let the computer do some of the work for us. Now Chase, I know we spent a good amount of time on the technicals. Hopefully everyone is a fan of looking at some of these technical signals as well. But just in case there's any options traders in the classroom, we don't want to leave you ignored, so let's talk a little bit about what the options filters can do as well.

**Chase Cotnoir:** Yeah, absolutely, James. So hopefully this is starting to demonstrate some of the power of this tool. As you mentioned it's going to save you time

and effort, allowing us to really go into the markets and extrapolate some of that data and provide it to you to make your trade decisions or to help craft some of those trade decisions. So, for some of those option traders out there we have a host of different filters that someone could use. The default choice is the high option volume. Now how that's defined is it's looking for stocks that have higher option volume today relative to the average option volume. Now this is considering stocks for the minimum average option volume of 200 contracts or more. Those are the only ones considered, so it is trying to be mindful that if there's an option that's trading or a stock that has very very liquid options that may not be factored in. Moving forward if we can take a look at some of these securities, we'll notice some of them here in this list have a significantly higher amount of options trading than on average. If normally we're only trading a couple hundred contracts, but on a day like today we're trading several thousand, well, something has potentially changed in the marketplace. And so, this can cue in a trader to look for different catalysts. Maybe it's earnings-related. Maybe there's some sort of corporate news, something came out regarding maybe their product line or services. It could just be the marketplace is pricing in some other unrelated phenomenon or event. We've certainly seen in the past year and even this year that volatility can make traders really go out there and do what they can to try to protect

their portfolios. And we can see that reflected in some of these different trading numbers and statistics.

So if you're looking for trading ideas, you're trying to trade some sort of security or maybe the options on the security, this can be one of the filters to cue you in what are other traders looking at, why is it trading so much. And this probably won't tell you the why. But it will tip you off to know that something in the marketplace is happening. And so now you've got something to run with. You've got an idea. Now you might go into Fidelity.com and do some fundamental research. Maybe it's the earnings that I mentioned. You could pull up the chart and see what's happening from a technical analysis perspective, is it breaking some sort of key level that maybe the security hasn't been able to for quite some time.

As James alluded to, there are many choices here. We want to save time for some of the other tools as well. But for any option traders out there, please know you have these choices to explore, and we certainly encourage you to do so. But James, I do want to transition over to our next tool for today. That's going to be our real-time analytics tool.

Now some of you may have noticed this blue target symbol or these concentric circles. And that's actually the cue that something is happening

with this given tool. So, I'm going to go ahead and pull this up for now. And I want to clean up some of this chart here for us. What this tool is going to do, this real-time analytics, it's going to actively scan the market for different events. And when they occur it's going to give you a message or a pop-up, a push notification of sorts, through Active Trader Pro.

So, the way it loads up by default is it's going to be looking at your positions and watch lists. And what it's going to do is look through your positions and watch lists for a whole host of different events. Some of those may be price- and volume-related. Some of them may be these different short-term opportunities which we're going to cover in a moment. Others could be technical analysis or different signals.

And what you get to do as a trader is you decide what basket of securities, whether they're ones that you already own, maybe it's a watch list of securities you may want to own, or just a commonly referred to index, and you can scan all those different securities for these events. Now a few other housekeeping rules with this type of tool is if you close it, it won't be actively scanning in the background. It does have to be open. So, if you don't want it on your screen you can certainly minimize it. And the way to pull it back up is you come to your tools in use, you click on real-time analytics. You can also click on this

target symbol here. Or if you come up to the alerts main menu, you'll also find a drop-down for real-time analytics.

Now James, as we mentioned before there is a whole host of different choices here. I was hoping maybe we could take some time to go through these different screens or filters, these alerts, and talk about why they might add value to our trading process.

**James Savage:** Oh yeah, absolutely, Chase. And this was one of the tools that I think got a lot of attention when Fidelity first released it on Active Trader, what might be just years ago now, how time flies by. But this type of scan as Chase mentioned. You really need to have it up and running for it to be working. That's probably why I think a lot of folks if they're just seeing this for the first time are thinking oh, why didn't I get that blue bull's-eye down at the bottom.

Now if you're curious about looking at all of these we'll say scans happening at once, you can do that. We had all of those choices selected. However, I would usually say for someone trying this for the very first time it might be more beneficial to at least focus on a few things that you're comfortable with, and then from there slowly expand. So, let's do that.

Maybe just for the first scan that we'll show everyone let's just look at the price and volume signals. Now if you're not sure what these price and volume signals are telling you, we can select on a little arrow -- I'm sorry. Little question mark that was right by them. That will give you a quick definition. This was on that general page here. However, you do get to get a little more information when we click on the individual announcement.

So just working for illustrative purposes as always. Let's just choose whatever the most recent one that popped up. So, we can see there's a security that gave us the alert at -- this was a volume spike for example -- at noontime.

Right up at the top. And it's just telling us that over the past 30 minutes there was a spike in volume. Now what this means, well, it's only going to be important for you to the extent of well, did that volume spike happen due to any reaction to news, was there a narrative that was causing traders to increase the shares for this 30-minute block of time. Because as we can see this is higher than 99 percent of all 30-minute volume intervals around this time of the day in the past 30 days. So, we might want to do a little more research to see what caused this volume spike, and ultimately putting it in the context of our trade, is this relevant, is this actually affecting the underlying security.



In addition to the volume spikes I think some of the others are more self-explanatory. If we go further down, we can see back at around 11:02 right there we can see this stock reached its new 52-week high. Using that in the context of how we place a trade, it reached this high, are we expecting it to continue to make new highs, possibly that this trend will continue. And even though we may be buying it high, let's say you wanted to make an actionable step, an actionable trade on this. Well, hopefully we'll be buying it high but selling it higher along the line.

Now this tool, when we're getting to some of the other criteria up at the top, I would say this probably contains some of the most creative opportunities that I've seen a tool use in quite some time when this first came out. So, if we were to focus on some of these short-term opportunities. We'll start with the very first one, the market divergences. Very similar to sector and trading ranges. I think market divergence could be I think the most self-explanatory for a lot of folks here. This is looking for a divergence, so a difference in price between a stock and an underlying index. So again, working with this first one for that illustration we can see in this case AMD here. At 12:40 this tool, which is for anyone keeping track of the time was one minute ago, this tool identified that it is now outperforming the Nasdaq 100. Now we're seeing a chart here. There's both the orange and the blue line. The orange is our line for the

underlying stock. It has shot above what the Nasdaq 100 is doing. And we define the Nasdaq 100 here by an ETF that tracks it. Now they give us a little bit of an explanation why this could be relevant for us. So historically 71.6 percent of the time AMD's share price has realigned with the Nasdaq 100. So, our divergence has already taken place and about seven-tenths of the time the price would have been expected to realign. So, what does that mean at this point? Possibly there could then be in the future, there could be some outperformance by the Nasdaq 100 relative to this stock. Now keep in mind it's not a guarantee. None of these tools are guarantees. It has just noticed a pattern in the past. So, it's focusing almost as a type of statistical analysis where well, there's a possibility that we could now see outperformance in the indice and underperformance of the stock relative to the two of them.

Now there was that other corporate events, and I'm always a big fan of talking about this other we can say scan that real-time analytics can do. And this was referred to as the corporate events. So, for any of you that have been in my strategy desk coaching sessions, you'll know I always talk about this is probably one of the most creative scans I've seen out there. And it is giving us a list of securities. It does go as far back as November and is current as just last week, February 5<sup>th</sup> in this case. We're listing these for stocks. And what this tool has identified -- and I'll read it here together so we can follow along at the same pace -- is that in this case Microsoft over the past seven dividends the

price increased between the announcement date and the ex-dividend date. Now historically it's risen an average of 10.6 percent with a minimum of 2.3 and a maximum 25.3. So again just to put it in another way here, when the announcement date has taken place, so when Microsoft has announced their dividend, up until the ex date, which is the day that stock starts trading without affecting the dividend, the term ex from Latin, this is telling us that there has been an increase in price.

Now we do get the minimum, average, and the maximum. And what we've gone ahead and added on our chart are some lines here that can signify a little bit about what this has already shown us. So, we have roughly marked out with that black line where the ex-dividend dates were, and we roughly marked out the date of the announcement. Now fortunately you can find all this information on Fidelity.com under the individual stock's research page. But just for the sake of time we've already marked it. And we've drawn these lines just to give you a rough percentage. We're not trying to be exact here. Just to show the general idea that between the announcement and the ex date the stock has risen in price in that roughly average of around 10 percent. And they've identified this over the past seven dividends. So, they're not necessarily predicting that's going to happen next time. You can't try to make any false assumptions of this. However, they've noticed the pattern, so if you

wanted to take any actionable steps on this, you'll still want to do your own analysis, making sure that things are still maybe bullish in the overall company. Maybe you're doing your own trend or momentum fundamental, etc. Your own type of analysis. And whether it's finding seven dividends -- you'll notice some of the others here I think there was eight or four dividends. This will be scanning and looking for those patterns so that you can possibly take actionable trading steps going forward.

And maybe you were under the same impression as me. I thought that was quite creative when I first saw it. So hopefully you can take maybe some of these creative scans and implement them into your own trading system. Now there is that final component here. And Chase, you already let me take the technicals on the filters, so it's only fair I let you take some of the technicals on our real-time analytics tools. So, I see you've already got the first one selected there.

**Chase Cotnoir:** Yeah, absolutely, James, these tools can be incredible in the depths of knowledge that they can go into the marketplace, take a look at what's going on, and then bring that back to us in a simplified fashion. I want to focus here on these technical signals as you mentioned. Now for anyone who isn't the most familiar with technical analysis or you're not familiar with all these

indicators, again we do have that question mark. If we hover over it, it's going to give us just a very brief description of what it's looking for. Keep in mind these are not an exhaustive list of all the different technical indicators. There's more than we can probably count at this point. These are just some of the more common ones that traders have requested over time. Doesn't mean that they're the best. But they're certainly something to start with to look at on your different charts for trading using technical analysis.

So, the first one we're looking at here is the RSI break. If I check this, we'll take a look at some of the different signals here. We see four securities that are as of today. Something we do want to highlight. The reason we know that these are for today, is their blue hyperlink-looking context here. But these others are grayish color, which means they happened the prior day. And so, what will happen is after one more day this will fall off the system, it will no longer show, and then these will all show as gray, and then anything new will be blue. So, you can go back in time to see some of these older signals, but these are today's.

And so, for example we've got this security with a red RSI lettering and a down-pointing triangle. And so, what that's really trying to tell us is that this may be either a bearish signal, a downward signal, something that may not be

indicative of a positive result for the company. And so, if we click on this it gives us just a brief description of the relative strength index or indicator, excuse me, RSI, this momentum oscillator that goes between these different levels. Now what's really interesting about this, I minimized this chart over here, is these technical indicators, you have to learn how to use them and how to add them to your charts, this tool does that for you. If we go ahead and click on where it says chart, it's actually going to populate for us. If I resize here to fill our screen, what's nice is it's going to populate the security, it's going to give us a three-month daily chart, and it's already going to include the technical indicator.

So, in this case it was telling us that the security broke below the 70 level. And if we look at this blue line and the most recent value is over here to the right, well, this value is below 70. And so, this is telling us that the momentum of the security is starting to slow. Maybe it had been overbought. It was above 70, but now is starting to wane. And that can just be one more piece of your analysis in your trading to say, "Well, maybe I'm looking at the trend of the security, but I also want to look at some of the momentum indicators as well." This tool will help with RSI. You can populate this on your chart. And you can incorporate that into your trading process.

But if you do want to focus more on let's say the trend, I'll uncheck this, we could use something like a simple moving average. James already detailed some of the exponential moving averages. The simple moving average a little bit different here. It's going to give us a different chart. So, we'll close this. This one gives us a signal that's actually green. So, the letters are green. We have an upward-pointing arrow. That's going to be telling us this is some sort of bullish signal or a positive and upwards signal for the security. So, what we're going to do is go ahead and click on this chart icon. Again, this is going to populate it for us. I'll resize this for everyone to see. And we can take a look, this security actually does have its shorter-term 20 simple day moving average crossing up and above its 50-day simple moving average. So, the short-term trend is changing to the upside relative to the intermediate trend of the 50-day.

Now for anyone who's looking at these technical indicators, if you want to change the way that they are you certainly can do that. This tool just prepopulates them for you. But if you want to go up to the legend of these technical indicators, we've got the 20 SMA, simple moving average, the 50, etc. You can come in here, click on them. And you can modify them to look however is best for you. So this is one way where if you're not the most comfortable with technical analysis, or you are but you don't have time to go

through tens or hundreds of charts looking for an opportunity, you could put on this scan and see if we will present the opportunity. We will find it and push that out to you to maybe make some sort of trading decision on. Or take that information, include it to your normal research process, and move on from there. So, James, we've basically gone over most of the basics of this tool.

What I would just remind everyone is we just focused on a few different signals. There certainly are others out there. And our population for this list was strictly from one index. But if you want to focus on just your own positions, your watch list, or a different index, you certainly have the capability to do so.

So what I'd like to do is maybe pass it off to you to talk a little bit more about once we've done this trading research, we've got the alerts, we've got the notifications, we've done our other analysis, what's another way that we could maybe execute that trade, go through the process, and then monitor it from there.

**James Savage:** Absolutely, Chase. So that's what really this course is designed to really talk about. It's finding and analyzing the trading ideas, but we definitely want to make it relevant for you out there and make it actionable. So once you've possibly found your trading, maybe your stock, once you've found this trading idea that maybe you used the real-time analytics, maybe you had the



SMA scan that Chase has, you found some bullish signals that you were looking at, you've done a little bit of other research possibly as well, and now it's time to go ahead and place that trade. Well, we can click on trade and orders and choose our Trade Armor. Now Fidelity took that armor expression because this is your way of protecting your trade, this is defending it against maybe higher levels of risk, loss for example. We're trying to use this as more of a representation of how you should be thinking about using this tool for that protection of your trade. And why is that? Because this tool is a bit of a one-stop shop. It's going to have not only the ability to place the trade but also you can stay informed of your own current trades as well as look at your risk management strategy and find other relevant information. Now we do need a security to put in here. So just for those illustrative purposes here let's go ahead and choose Apple, a security I think the majority of folks here have heard about. And we can size this tool as well. So, you'll notice that there is a chart that's presented. Maybe you want to fill up your space with a little more view of that chart. Well, we can drag it over.

Now at first, you're going to be presented with not only price in these bars or these OHLC lines that we see on our chart. We're also given horizontal lines. These lines are helping us to signify where certain important levels are in regard to price. So, we've got our 52-week high. If we were to pull out this

chart and we can adjust this over on the left-hand side. If we were to pull it out to a one-year chart, we'll not only see our 52-week high, we can also see our 52-week low. And like many securities the low is towards the spring of last year. But we're also given some important support and resistance levels. Now these are levels that are identified by a third party that Fidelity makes available. The company's name is Recognia. And they're marking levels where price has either found some support or resistance in the past and could maybe hit some pauses at these price levels. Now we could modify it as well. There is a default 40-day timeframe that is selected, but we could choose 10 days, 20, 100, 250 for example. And you can adjust this relative to what could be important for you or a timeframe that matches your trading style and your horizon.

Now over on the far right-hand side this is where you get that information that you might not have been able to find on previous trade tickets. We're going to get news information. Now of course we can't ignore you're going to get quoted as well. You're getting the last price, the change in both dollars and percentages, and the bid and the ask numbers. So, you can find out well, what is that best price you could be buying or selling the security for.

Down below are a variety of other tabs. We have position, research, option. So, if you own the security in the account it would be informing you of how much money we could be up or down. And even if you had closed that position prior in the year it will give you that running tally of not only your unrealized gain or loss but also realized gain and loss as well. Maybe you want to find out important dates on the calendar. Earnings and dividends are two of if not the most important some of the most important and oftentimes looked at dates for the majority of companies. And for anyone interested in seeing the opinion of other outside analysts, well, we do have our Equity Summary Score, which is provided from StarMine, which compiles a variety of also third party analysts in their own bullish or bearish or buy or sell ratings, and then we compile it together, and we even weight them by the accuracy of those analysts in the past.

And as always, I always try to give a special shout-out to any of the options traders out there because this does have a tab for options. And it is going to allow you to place options trades that are typically associated with stocks. You can see a few various strategies listed there, and you can start scanning through particular contracts such as the strike price or the expiration that could be related to the type of trade that you might be interested in placing.

Now I possibly saved the best for last when it comes to Trade Armor, because I've spoken about the armor component of it, but I haven't really talked about the trade aspect, have I? So, once we click on that trade button towards the top it's going to immediately add that blue rectangle with our price. Now what's great about this, this is movable, you can click and drag and slide it both up and down, and it keeps that horizontal line across our chart. So, this lets us visually see where that price level is on that chart, in this case over the past one year. So, if we were trying to match it with maybe support and resistance or highs and lows, we could see where that price level is relative to those other important price points.

Now you might have noticed as well as Chase was sliding that up and down the limit price over on the right changed. So, this is all going to be connected here just in the interest of saving you time, helping you make these choices faster. However, working with the example that we purchased this stock, well, what's one of the most important things that we need to focus on? That is our exit plan. So, we do have some conditional orders that can be added with this ticket. One of the most commonly used ones that I've seen is the OCO order. So, if we were to check that sell bracket for example, this will put at the same time two separate orders, both a limit and a stop-loss, with the limit price and stop price already chosen. Now we can of course move these prices to the

desired levels that we may see fit. Typically, we put our stop below where it's trading, maybe our limit above where it's trading. And this can help define that maximum gain or loss that we could realize.

Now we also understand that all because we've chosen these price levels doesn't necessarily mean we're going to fill at these price levels. We need to take that into the context of well, what's the advantages and disadvantages of what a limit order is and what a stop-loss order is. But this helps to keep the focus of your exit strategy so we're not ignoring what the ultimate plan of our trade is, which is to make money, manage risk, and hopefully keep that success going over the long run.

So, these were the three main tools we wanted to focus on today. I can see right now we are right on the hour. So hopefully everyone has found today's presentation helpful, and at the very least informative.

END OF AUDIO FILE

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