Chartered Market Technician (CMT) Program Level I
May 2014 Reading Assignments

The CMT I candidate is responsible for the material on a definition level. The candidate must understand the terminology used in these readings, be able to describe the concepts discussed in these readings, and be able to examine trends.

The CMT Level I Exam measures basic, entry-level competence. The CMT I candidate should have a working knowledge of the basic tools of the technician.

Exam time length: 2 hours, 15 minutes
Exam format: Multiple Choice

Immediate scoring will be available this exams.

CMT Level I Exam tests the candidate's knowledge of six basic areas of technical analysis:
1) Terminology of technical analysis
2) Methods of charting
3) Determination of price trends/basics of pattern recognition
4) Establishing price targets
5) Equity market analysis
6) Applying technical analysis to bonds, currencies, futures and options

Listed below and on the following page are the reading assignments for the Level I Exam. The CMT candidate is responsible for knowing and understanding the entire list of reading assignments.
CMT Level I Exam Reading Assignments

1) MTA Code of Ethics (attached at the end of this document)


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
5.1 The Dow Theory in the 20th and 21st Centuries
6. Important Reversal Patterns
7. Important Reversal Patterns – Continued
8. Important Reversal Patterns – The Triangles
9. Important Reversal Patterns – Continued
10. Other Reversal Phenomena
10.1 Short-Term Phenomena of Potential Importance
11. Consolidation Formations
12. Gaps
13. Support and Resistance
14. Trendlines and Channels
15. Major Trendlines
15.1 Trading the Averages in the 21st Century
16. Technical Analysis of Commodity Charts
16.1 Technical Analysis of Commodity Charts, Part 2
17.2 Advancements in Investment Technology
23. Choosing and Managing High-Risk Stocks
25. Two Touchy Questions
27. Stop Orders
29. Trendlines in Action
30. Use of Support and Resistance
31. Not All in One Basket
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
Appendix “C” Technical Analysis of Futures Charts


Chapters:
1. Introduction to Technical Analysis
2. The Basic Principle of Technical Analysis – The Trend
3. History of Technical Analysis
4. The Technical Analysis Controversy
5. An Overview of Markets
6. Dow Theory
8. Measuring Market Strength
9. Temporal Patterns and Cycles
10. Flow of Funds
11. History and Construction of Charts
12. Trends – The Basics
14. Moving Averages
15. Bar Chart Patterns
17. Short-Term Patterns
18. Confirmation
19. Cycles
20. Elliott, Fibonacci, and Gann
21. Selection of Markets and Issues: Trading and Investing
22. System Design and Testing
23. Money and Risk Management
Appendix “A” Basic Statistics
Appendix “B” Types of Orders and Other Trader Terminology


Chapters:
2. Financial Markets and the Business Cycle
3. Dow Theory
4. Typical Parameters for Intermediate Trends
5. Price Patterns
6. Smaller Price Patterns
7. One- and Two-Bar Price Patterns
8. Trendlines
9. Moving Averages
10. Momentum Principles
11. Individual Momentum Indicators I
12. Individual Momentum Indicators II
13. Candle Charts
15. Miscellaneous Techniques for Determining Trends
16. The Concept of Relative Strength
18. Price: The Major Averages
19. Price: Group Rotation
20. Time: Longer-Term Cycles
22. Volume: General Principles
23. Volume Oscillators
24. Breadth
25. Why Interest Rates Affect the Market
26. Sentiment Indicators
27. Applying Technical Analysis to the Theory of Contrary Opinion
28. Checkpoints for Identifying Primary Stock Market Peaks and Troughs
29. Automated Trading Systems
30. Technical Analysis of Global Stock Markets
31. Technical Analysis of Individual Stocks
5) du Plessis, Jeremy, *The Definitive Guide to Point and Figure 2nd Edition*, Harriman House LTD, 2012, ISBN: 978-0857192-45-5. Click on the following link to buy it at an MTA member’s special discount: [www.updata.co.uk/shop/mtabookoffer.asp](http://www.updata.co.uk/shop/mtabookoffer.asp)

**Chapters:**
1. Introduction to Point and Figure Charts
2. Characteristics and Construction
3. Understanding Point and Figure Charts
4. Projecting Price Targets

For those using the second edition of the du Plessis book...

**Chapters:**
1. Introduction of Point and Figure Charts
2. Characteristics and Construction
3. Understanding Patterns and Signals
4. Understanding and using Trend lines
5. Projecting Price Targets

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*Revised November 2013*
The Market Technicians Association has established ethical standards of professional conduct which every Member and Affiliate shall maintain. The Ethical Standards set forth in 1 through 9 serve as a guide of professional responsibility and as a benchmark for ethical judgment.

1. Members and Affiliates shall maintain at all times the highest standards of professional competence, integrity and judgment. Said standards should be maintained, and members and affiliates should act with dignity and in an ethical manner when dealing with the public, clients, prospects, employees, fellow Members and Affiliates and business associates.

This ethical standard requires strict compliance with the applicable laws and regulations of any government, governmental agency and regulatory organization which has jurisdiction over the professional activities of Members and Affiliates.

This same ethical standard requires that Members and Affiliates abide by the Constitution and By-Laws of the Association, and all rules promulgated by its Board of Directors. Members and Affiliates shall not unduly exploit their relationship with the Association for commercial purposes, nor use, or permit others to use, Association mailing lists for other than Association purposes.

2. Members and Affiliates shall not publish or make statements which they know or have reason to believe are inaccurate or misleading. Members and Affiliates shall avoid leading others to believe that their technically-derived views of future security price behavior reflect foreknowledge rather than estimates and projections subject to reexamination and, as events may dictate, to change.

3. Members and Affiliates shall not publish or make statements concerning the technical position of a security, a market or any of its components or aspects unless such statements are reasonable and consistent in light of the available evidence and of the accumulated knowledge in the field of financial technical analysis. New methods of technical analysis and modifications of existing concepts and techniques shall be fully documented as to procedure and rationale. Proprietary methods shall not be infringed, but this standard shall be a guide in the creation of proprietary products.

4. Members and Affiliates shall not publish or make statements which indefensibly disparage and discredit the analytical work of others.

5. Members and Affiliates shall not seek, disseminate or act on the basis of material, non-public (inside) information, if to do so would violate the laws and regulations of any government, governmental agency or regulatory organization relating to the use of inside information.

6. Members and Affiliates shall keep in confidence knowledge concerning the lawful private affairs of both past and present clients, employers, and employer’s clients.

7. When a Member or Affiliate recommends that a security ought to be bought, sold or held, adequate opportunity to act on such a recommendation shall be given to the Member’s or Affiliate’s clients, employer, and the employer’s clients before acting on behalf of either the Member’s or Affiliate’s own account or the accounts of immediate family members.

8. Members and Affiliates shall not copy or deliberately use substantially the same language or analysis contained in reports, studies or writings prepared by any author unless permission to do so is received, in advance, from the author. In the event the original author is deceased, or is otherwise unavailable to grant such permission, Members and Affiliates must ensure that the original author receives prominent and adequate credit for the original work.

9. Members who have earned the CMT designation shall use CMT after their name whenever and wherever appropriate.