CMT Level III candidates are expected to demonstrate his/her proficiency in the integration of the various indicators and concepts associated with technical analysis. The CMT Level III Exam is in essay format and is computerized. Level III Exam information follows.

The CMT Level III Exam will test the CMT candidate on the development of logical, thorough research opinions, portfolio strategies or trading decisions predicated on the integration of a wide range of charts, indicators and other technical concepts and data.

Exam time length: 4 hours  
Exam format: Essay  
Points: 230

Charts will be on screen and chart books will be provided. Ethics will be tested and must be passed by all candidates.

Listed below and on the following page are the reading assignments for the CMT Level III Exam. The CMT candidate is responsible for knowing and understanding the entire list of reading assignments, in addition to the CMT Level I and Level II reading assignments.

***************

CMT Level III Exam Reading Assignments

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


Chapters:
1. Oscillators Do Not Travel Between 1 and 100  
2. Dominant Trading Cycles Are Not Time Symmetrical  
3. Choosing and Adjusting Period Setup for Oscillators  
4. Dominant Trend Lines Are Not Always From Extreme Price High or Lows  
5. Signals From Moving Averages Are Frequently Absent in Real-Time Charts  
6. Adjusting Traditional Fibonacci Projections for Higher-Probability Targets  
7. Price Projections by Reverse Engineering Indicators  
8. Price Objectives Derived From Positive and Negative Reversals in RSI  
9. Calculating Price and Time Objectives from a Gann Wheel  
10. Using Oscillators with the Elliott Wave Principle  
11. Volatility Bands on Oscillators
3) du Plessis, Jeremy: *The Definitive Guide to Point and Figure, 2nd Edition*, Harriman House Ltd., c.2005, ISBN 1-897-59763-0. 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:**
- All Chapters


**Chapters:**
- All chapters


**Chapters**
1. Emotion, Neuroscience and Investing: Investors as Dopamine Addicts
2. Part Man, Part Monkey
3. Take a Walk on the Wild Side
4. Brain Damage, Addicts and Pigeons
5. What Do Secretaries’ Dustbins and the Da Vinci Code have in Common
6. The Limits to Learning
7. Behaving Badly
8. A Behavioural Critique
9. The Folly of Forecasting: Ignore all Economists, Strategists, & Analysts
10. What value Analysts?
11. The Illusion of Knowledge or Is More Information Better Information?
12. Why Waste Your Time Listening to Company Management?
13. Who’s a Pretty Boy then? Or Beauty Contests, Rationality and Greater Fools
14. ADHD, Time Horizons and Underperformance
15. The Story is The Thing (or The Allure of Growth)
16. Scepticism is Rare or (Descartes vs Spinoza)
17. Are Two Heads Better Than One?
18. Improving Returns Using Inside Information
20. Just a Little Patience: Part II
21. Sectors, Value and Momentum
22. Sector-Relative Factors Works Best
23. Cheap Countries Outperform
24. The Anatomy of a Bubble
25. De-bubbling: Alpha Generation
26. Running with the Devil: A Cynical Bubble
27. Bubble Echoes: The Empirical Evidence


**Chapters:**
- All Chapters


**Chapters:**
- 10. A Cluster of Candles
Market Technicians Association
CODE OF ETHICS
Amended December 2004

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.