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Letter from the Editor

We are now in the month of March and you should consider forming/joining a study group, or registering for the [CMT Institute \(CMT\)](#). However, if you find it easier to study alone, continue to do so. With less than two months left for study, it is important for you to put yourself on a schedule, say two hours each evening. If you only study two hours each evening starting now, you will have at least 60 hours of study time in before taking the exam, and that is considering that you will study five days a week. If you expand your study time to seven days, even better!



Also remember, when studying it is important to leave ample time for review. I recommend completing your studies and leaving, at the very least, a week for review, preferably two. We find that those who wait until the last minute to prepare often do not receive the best results. Prior to the exam it is important to get plenty of sleep. This will help to prevent you from making errors like misreading questions and will help you stay alert and at your best.

At the beginning of your exam you will be asked to view a tutorial. This will help to explain the steps you must take to properly complete the test taking process. Please understand that your test time is not affected by this tutorial. The timer on your exam does not begin until you have finished viewing the tutorial. I have noticed that some candidates do not thoroughly pay attention to this part of the exam. This can result in time wasted during the exam and even loss of points. This is especially important for the CMT 3 exam in which appropriate time management can be a critical factor. Below is a screen shot of what this tutorial will look like when you are ready to take your exam. [Click here](#) to view screen shots of the entire tutorial.

Page 1 of 9 Test Taker: Chartered Market Technician (CMT) Level 1 Time Remaining: 00:14:58

Welcome to the tutorial

This tutorial provides a series of screens that orient you to the computer testing environment. This will give you an opportunity to try each feature before using it in questions that will be scored. You will be instructed on how to use the mouse and the different parts of the screen.

You may use the tutorial for 15 minutes. Notice the "Time remaining" box in the upper right corner of this screen. A similar display will appear during the actual exam. In the upper left corner is a box that shows where you are in the series of questions (or in this case, screens of the tutorial). Other screen features are described later in the tutorial.

Click on the 'Next' button to continue.

NEXT

END

Included in this tutorial is the "non-disclosure agreement" that all candidates will see and are required to adhere to. Remember, you must select "agree" in order for your test to be graded and counted.

You are presented with this agreement at the beginning of the exam and again at the end of the exam. Confidentiality means that you may not talk about the exam, and especially disclose any information about the contents of this exam, with anyone. We take violations of this nature very seriously.

- **Jeanette Young, CMT, CFP**
CMT Program Director
jeanette@mta.org



Administrative Notes

Sign Up Today!

Registration for CMT Level 3 closes in 1 month!

[Sign up today](#) to ensure your preferred time, date, and location! Contact [Marie Penza](#), 646-652-3300, for information on the CMT Program and/or if you're having trouble scheduling your exam for Prometric. For detailed instructions on how you can register online, please [click here](#).

Test Dates

The Spring 2010 CMT Exams will be held from *April 29, 2010* through *May 8, 2010*.

Registration Closing Dates

Registration for Levels 1 and 2 closes on *April 23, 2010*. Registration for Level 3 closes on *April 9, 2010*.

Recommended Reading Lists

- [CMT Exam Level 1](#)
- [CMT Exam Level 2](#)
- [CMT Exam Level 3](#)

CMT Institute (CMTi) - Two Weeks Left!

Classes begin in two weeks, sign up now! Registrants have already begun communicating through the discussion

Have a Question?

I am available for your questions and suggestions! Please send questions that you would like answered to me at: jeanette@mta.org. I am also available for immediate questions by phone at 646-652-3300. Several initially received questions were answered below. If I don't post the answer here for all to see, rest assured I will answer them directly with you by e-mail.

Attention CMT Level 3 Candidates! - *One Month Left!*

This is a reminder that registration for the CMT Level 3 Exam closes on April 9, 2010.

It is important to note that not only does registration for the CMT Level 3 close on April 9th but scheduling at Prometric also ends the same day at 5pm. All CMT Level 3 candidates must schedule their exam by the April 9th deadline. **No exceptions can be made.**

Rescheduling/Canceling your CMT Level 3 Exam

If you need to reschedule, CMT Level 3 candidates must do so before the close of registration (April 9th) to ensure availability of the tests charts. You can reschedule your exam date, time, or cancel your exam using the Reschedule/Cancel option at www.prometric.com (available 24/7), or by calling the Prometric Regional Registration Center

Please remember that candidates who do not reschedule/cancel their exam 30 days prior to their originally scheduled testing time will be charged \$25 by Prometric.

To reschedule your exam to the next test administration or if you have any questions, please contact me at marie@mta.org or 646-652-3300.

- Marie Penza
Director of Member Services
marie@mta.org



Ask the Director

There's a difference in the methods for the vertical & horizontal count between Kirkpatrick/Dahlquist and du Plessis books. For the vertical count, Kirkpatrick/Dahlquist pg 354, uses the bottom of the column in which an action signal has occurred and then adds a calculated number. du Plessis pg 222, uses the bottom of the preceding O column then adds the calculated number. For the horizontal method, the difference is even more significant. Which methods should we use on exam day?

Answer: For the CMT Level 3 exam there will be no questions from the du Plessis book because it is not on the recommended reading list. Bottom line is, study the methods focused on in the Kirkpatrick/Dahlquist and Pring books. The du Plessis book is simply recommended for further readings to help expand your knowledge on that topic (as stated by Ken Tower, CMT below).

"All CMT test questions come from the assigned reading. So it is the material in the Kirkpatrick and Pring books that you are responsible for. Jeremy du Plessis's excellent book (The Definitive Guide to Point and Figure) covers point and figure techniques far more thoroughly. For now, focus your attention on the Kirkpatrick and Pring and use the du Plessis book to expand your knowledge." - Kenneth Tower, CMT

forums and viewing the archives that are made available to them upon registration. Don't miss out on the opportunity to enhance your preparation process. To register for one of the CMTi courses, please [click here](#), or call Cassandra Townes at 646-652-3300. [Click here](#) to read a letter from the CMTi Director, Carson Dahlberg, CMT.

MTA Member Sponsorship Process

How do I find three sponsors?

The MTA has made it very easy for you to find sponsors. We have over 600 Members who are willing to sponsor other candidates. You can find this list by visiting our website; log into the "Member Home" page, scroll down until you see the heading "My Information," and in that section you will find "Steps to Becoming a Member." At the top of that page select "Members willing to Sponsor."

Select three (3) Members from the list and request that they sponsor you. If they agree to do so, email them a current resume and a copy of some technical analysis work that you have written. Explain what type of TA you use, what sectors of the market you concentrate on in your day to day work, etc. The sponsors will want to know that you use this discipline to perform your tasks. They might want to get to know you professionally so that if called upon, they can discuss your work.

If you cannot find, or are having trouble finding sponsors, please contact me directly and I can suggest some individuals that you might be able to contact about potential sponsorships.

Once a Member agrees to sponsor you, send them a "sponsor questionnaire" form that they must fill out and return to Cassandra Townes. If you have any questions, please contact Cassandra Townes at cassandra@mta.org or 646-652-3300.

Guide to Sponsorship

Receiving *Membership Status* with the MTA grants you all the same privileges as an *Affiliate*, as well as allows you to vote on MTA matters, hold an office or chair a committee, and become eligible to hold the CMT designation after successful completion of all three levels of the

But to answer your question further, "The vertical count is unique to the three-box reversal. (So obviously, if the chart is not a three-box reversal, do not use this count.) It is calculated by taking the number of boxes in the column in which an action signal has occurred, multiplying it by 3, and adding the product to the lowest box price in the column. If the box values are different because of scale changes during the column's formation, the value of the column boxes must be adjusted." [TECHNICAL ANALYSIS](#), Kirkpatrick/Dahlquist Chapter 16 Point and Figure, page 354.

exam.

Since *Membership Status* is essential to holding the CMT designation, why not [get started with the process today!](#)

How do I find the Elliott Wave DVD on the website?

Answer: Login to www.MTA.org, and click on the "Shopping Cart" icon on the top right of the page. Once in the Shopping Cart, select the CMT Prep Material tab. On that page you will find "Elliott Wave" by Steven Poser. This is a DVD that is sold by the MTA and is recommended to those that are having a difficult time grasping the concepts of Elliott Wave.

Alternatively, the MTA's Knowledge Base (KB) contains many free resources that I would recommend to those that are looking for more information on Elliott Wave to improve their CMT preparation. [Click here to view the Elliott Wave section of the KB.](#)

I recently registered as an Affiliate MTA member, and have paid the Level I test fee. I tried to log in to set up a test time, and the Prometric website was asking for a MTA ID number. The one I had from mta.org's website for me was, "0000XXXXX1" or "XXXXX1" - both did not work, so I am at a loss as to what I need to enter in order to register to take the test.

Answer: You are doing nothing wrong! We have written a piece of coding that will allow our members to see their member ID without the first 4 zeros and without the trailing '1'. You can now see your member ID by going to your profile page:

<http://www.mta.org/eweb/DynamicPage.aspx?webcode=MyInformation>

I'm from Singapore and would like to know if there is a test center in Singapore where I can take the CMT exam. In addition, I would also like to know where the nearest locations are.

Answer: I often receive inquiries of this nature asking about where the test centers for the examination are located. Our test administrator is Prometric. Prometric is a global company with test centers throughout the world. If you visit www.Prometric.com, on the left side of the home page there is a topic "for test takers." Click on: Academic, Professional, Government & Corporate, then scroll down to Market Technicians Association and click get started. Next select "locate a test center", then pick your location. If you have a problem, or cannot find a test center in your area, contact Marie Penza at Marie@mta.org or 646-652-3300 and she will be happy to assist you.

And to answer your specific question, yes there is a test center in Singapore.

**Practice, Practice, Practice:
Sample Questions with the Correct Answer**

CMT Exam Level 1



Answer: D

"The number of contracts, outstanding at any one time in each delivery month is its open interest. Total open interest is the number of contracts outstanding in all delivery months."

Reference: TECHNICAL ANALYSIS, Kirkpatrick/Dahlquist, Chapter 18, page 431

CMT Exam Level 1

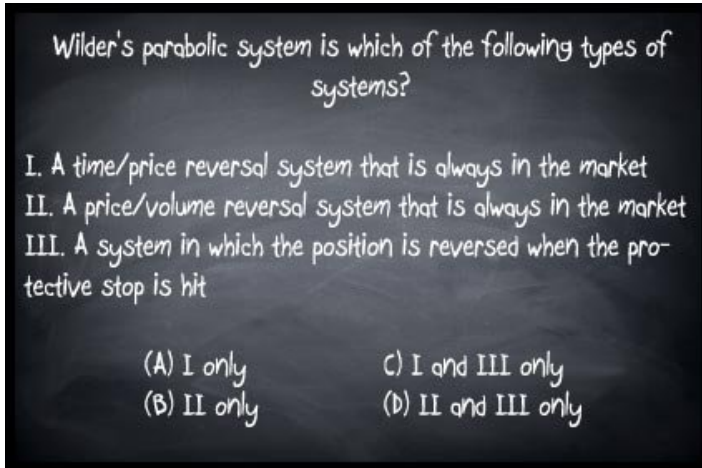


Answer: D

"Support is where a declining trend can be expected to halt temporarily due to a concentration of demand. Resistance is where an advancing trend can be expected to halt temporarily due to a concentration of supply."

Reference: Technical Analysis Explained (4th Edition Edition), Pring, chapter 15, pages 287-289

CMT Exam Level 2



Answer: C

The short and long answer and major clue on this question is Volume. The Parabolic Indicator is used as a "stop and reversal system" with nothing to do with volume. Thus a good guess would have removed option II and left you with a choice of A or C. The answer is C.

References: TECHNICAL ANALYSIS, Kirkpatrick/Dahlquist, chapter 13, pg. 261, and Technical Analysis Explained (4th Edition Edition), Pring, chapter 12, pg. 252

CMT Exam Level 2



Answer: A

"Seasonal patterns are easier to find than the longer-term cycles or economic trends, because they must repeat each calendar year."

Reference: NEW TRADING SYSTEMS AND METHODS FOURTH EDITION, Kaufman, chapter 10, page 404

CMT Exam Level 3

Using the weekly chart of Shaw Group, Chart # 16, identify the primary and intermediate waves from the July 2003 low at 6.61 to the October 2007 high at 77.30. Support your count with the applicable Elliott wave rules.



Answer:

1. Primary wave I – impulse or motive wave from low at 6.61 to high at 36.15. It subdivides into five waves, 3 impulse waves that further subdivide into five waves and 2 corrective waves that subdivide into three waves. Wave 2 retraces almost all of wave 1 and wave 3 of 1 is not the shortest. Wave 4 did not move beyond the high of wave 1. Wave 5 of wave I is an extended wave.

Wave 4 corrects 50% of wave 3 and wave 5 is equal to 1.618 times the length of wave 1.

2. Primary wave II – corrective wave from high at 36.15 to low at 19.56 is a zigzag (a-b-c) pattern where **a** and **b** subdivide into five wave patterns and **c** is a three wave pattern.

It retraced just over 50% of the primary wave I and as a correction following an extension (wave 5 of wave I) found support at the low of wave 2 of that extension.

3. Primary wave III – impulse or motive wave from the low of wave II at 19.56 to high at 77.30. Like wave I, it subdivides into five waves with wave 5 the longest. Within wave III, wave 2 corrects 0.382 of wave 1 and 2 wave 3 is equal in length to 2 times wave 1, wave 4 retraces 0.618 of wave 3.

The length of wave III is close to 3.618 times the length of its wave 1. The length of wave III is also equal to 2 times the length of primary wave I.

4. Primary wave IV – in progress, alternates from wave II in that it is a contracting triangle or a combination correction. It is holding in the area of the low of the previous lesser degree wave 4 (wave 4 of wave III). To date, it is made up of five zigzag waves with wave **a** being a zigzag combination.

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Linked    *TRADERPLANET*