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Letter from the Editor

For both returning and new candidates, welcome to the CMT program!

You may already know that we are changing the CMT Level 1 and CMT Level 2 Exams for the Fall administration. Recently, the MTA completed a **Job Analysis Survey**, which commissioned Prometric to conduct a study to determine what our membership and charter holders are using in the field at work, and in their trading. This Survey was used to obtain useful information to ensure that the CMT certification program reflects the most important and current practices in the market technicians' job role in the coming years. Information gathered from this survey was then used to adjust the CMT Exam test specifications and questions. Survey information will also be reflected in changes to the recommended reading assignments, as well as in future exams.



As a result of the changes to these exams, the Fall administration of the CMT Level 1 & 2 Exams **will not offer immediate scoring**. This does not have any impact on the CMT Level 3 Exam grading process. The delay in CMT Level 1 & 2 Exam scoring is a direct result of the required psychometric evaluation of the exam questions, a process facilitated by Prometric and involving Subject Matter Experts. This critical step serves to evaluate the questions and, most importantly, determine the scores necessary to pass the CMT Level 1 & 2 Exams. You will be notified of the results once this process is completed. Please understand that the results will not be given upon completion of the exam, and the actual pass/fail results will likely be delivered to you between three and six weeks following the completion of the exam administration.

In addition, we have also changed the reading assignments for all levels. You will notice that there are additional chapters assigned from the current books. Additionally, we have added a new book to the program: THE DEFINITIVE GUIDE TO POINT AND FIGURE, by Jeremy du Plessis, CMT, FSTA. This book is required for all levels on the exams. [You can follow this link for a complete list of the reading assignments.](#)

In regards to the type of questions that will be asked, the CMT Level 1 Exam will continue to be definitional. The CMT Level 2 Exam will include application of tools and concepts as well as some definitions relating to new concepts introduced at this level. Please review the [Body of Knowledge](#) to fully understand how this exam has been altered. not only include some definitions relating to new concepts introduced at this level, but

This **CMT Newsletter** will be issued once every two weeks. If for any reason you do not want to receive the newsletter, please click on the Opt-Out link at the bottom of this email. We have archived all previous editions of this newsletter so that you can review them on line.

Jeanette Young, CMT, CFP
CMT Program Director
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Scheduling Your Exam Explained

In the past two test administrations, we have had an unprecedented amount of candidates taking the CMT Exams. During that time we have found that a number of test centers fill up rather quickly, and our candidates have had difficulty finding a seat. It's always best to register and schedule your exam early, no matter where you are located.



I would recommend that candidates located in the following cities schedule their exams early: *Cairo, London, Toronto, Montreal, Singapore, Hong Kong, Burnaby, Amsterdam, and Dubai*. If you find that there are no seats available, please contact me right away (marie@mta.org) and I will have



Administrative Corner

Registration for Fall 2010 CMT Administration Now Open!

The MTA is pleased to announce that registration for the Fall 2010 CMT Administration, is **NOW OPEN!**

[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 are having trouble scheduling your exam with Prometric.

For detailed instructions on how you can register online, please [click here](#).

Test Dates

The Fall 2010 CMT Exams will be held from *October 28, 2010*, through *November 6, 2010*.

Registration Closing Dates

Registration for CMT Levels 1 and 2 closes on *October 22, 2010*. Registration for Level 3 closes on *October 8, 2010*.

Recommended Reading Lists

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

Best Practices

In this section you will find helpful hints that might aid in your study/preparation

Prometric, our test administrator, schedule you. Sometimes this may take a week or two as Prometric either waits for a cancellation or is arranging to have the test center open earlier/stay open later so that they can accommodate everyone.

It is best not to wait until a few days before registration closes, or after it has "closed," to contact me about scheduling your exam. This is especially true for CMT Level 3 Exam candidates who need to be scheduled by the last day of registration as Prometric promptly closes scheduling for CMT Level 3 Exam.

Don't forget, register and schedule your exam as early as possible!

Marie Penza
Director of Member Services
marie@mta.org

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. If I don't post the answer here for all to see, rest assured I will answer them directly with you by e-mail.

Ask the Director

This is the section of the CMT Newsletter where the CMT Program Director, Jeanette Young, CMT, will post answers to various questions submitted by you, the membership. Begin submitting your questions today by emailing me at jeanette@mta.org. Please note that all questions will receive a direct answer, but due to limited space, only select questions will be posted in the following CMT Newsletter.

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

In this section you will find sample questions taken from the Quiz Cards, Practice Exams, and past CMT Exams. It is here that you will not only be provided with the answers, but also the rationale and reference for where you can find it in the required reading.

CMT Level 1 Question

process. Sometimes candidates focus too much on smaller details or get caught up in particular sections of the recommended reading. Here we will try to provide other methods and materials that can be utilized to make sure you are fully prepared for the upcoming exams. Are there sections in the Knowledge Base that can help you? What about additional study guides? All this and more will be featured in the Best Practices section.

Cassandra's Corner

Books for the CMT exams can be purchased through a special website created by Trader's Library (www.invest-store.com/mta). If you have any questions regarding your purchases from this website, please contact Becky Dean at from Trader's Library at bdean@traderslibrary.com.

"THE DEFINITIVE GUIDE TO POINT AND FIGURE" by Jeremy du Plessis can be purchased at a reduced rate for MTA members by [clicking here](#).

We encourage you to purchase the books as a way to build your own library at home, however; if you prefer, you can borrow the books from the MTA library upon availability. Remember, these books will be needed as you continue through the exams.

When utilizing bar charts, the target expected after a breakout from a rectangle is based on which of the following measurements?

- (A) Height of the rectangle formation
- (B) The height multiplied by the width of the rectangle
- (C) Width of the formation in terms of time
- (D) Height of a rectangle formation added to the breakout price

Answer: D

"A target can be calculated by adding the height of the rectangle formation to the breakout price." (Kirkpatrick/Dahlquist)

References:

- Kirkpatrick/Dahlquist, TECHNICAL ANALYSIS, 2006 (Chapter 15, pg. 316)
- Edwards, Magee & Bassetti, TECHNICAL ANALYSIS OF STOCK TRENDS (9th Edition), 2007 (Chapter 9, pg. 131)

CMT Level 2 Question

According to Kirkpatrick and Dahlquist, during emotional times, flow of funds signals:

- (A) Appear to work poorly because price seems to divorce itself from economics.
- (B) Appear to work exceptionally well because of the market's flight to safety.
- (C) Function no differently than at any other time in the market cycle because of shortcomings in the measurement procedures.
- (D) Suggests the duration of the next downleg in the market cycle.

Answer: A

"Interestingly, it appears that flow of funds signals work poorly during such emotional times, presumably because stock prices appear to divorce themselves from economics."

Reference:

- Kirkpatrick/Dahlquist, TECHNICAL ANALYSIS, (Chapter 10, pg. 170)

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