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Letter from the Editor

Study Schedule

Each of us has a unique study practice that is used in preparing for exams. However, I recommend **setting up a regular study schedule** so that you are fully prepared as you approach the exam. Expect to devote about **7 hours of study per week for CMT Level 1; 9 hours for CMT Level 2; and, 10 hours a week for CMT Level 3** in order to meet the minimum recommended study. It is likely that additional study time will be required as you approach your exam date.



As you begin your studies, it is likely that you will do better studying alone, but as you move through the material, you might find it helpful to speak with others who are also preparing for the exam. Once you have completed your reading assignments, consider joining or forming a study group. Many people find that belonging to a study group helps reinforce the knowledge they have gained. To find other candidates who will be taking the CMT exams, go to the [CMT discussion group](#) and attend your local MTA chapter meetings, where you will be able to network with other candidates.

To help you get organized, here are printable study time charts to help you keep track of your study hours. Select the appropriate link to print any of the charts:

[CMT Level 1](#)

[CMT Level 2](#)

[CMT Level 3](#)

I recommend marking off the line chart every week as well as filling in your hours of study in the blank boxes underneath. This can be a great tool to keep you on pace for the exam.

If you did not pass your recent CMT examination, you were sent a "deciles" report that identifies your strengths and weaknesses on the last exam. The deciles report should help the study process for those who plan to re-take the exam. Use this report to focus on where you need the most practice. Attack those areas first! If you passed the exam and would like to receive your deciles report, please contact Marie Penza at Marie@MTA.org.

Remember, we have recently changed the "Body of Knowledge." The updated BOK reflects changes that will be seen on the future CMT Level 1 and CMT Level 2 exams. The CMT Level 3 exam will remain the same.

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

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 in 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 Prometric, our test administrator, schedule you. Sometimes this might take a week or two since Prometric either waits for a cancellation or

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](#)

attempts to arrange for the test center to 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 candidates who need to be scheduled by the last day of registration, as Prometric promptly closes scheduling for Level 3.

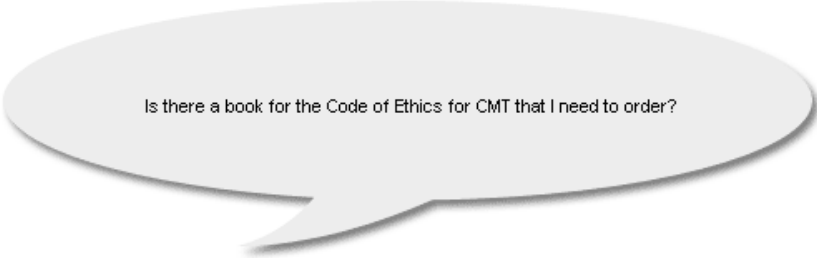
Don't forget, register and schedule your exam as early as possible!

Marie Penza
Director of Member Services
marie@mta.org

Best Practices

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

Ask the Director



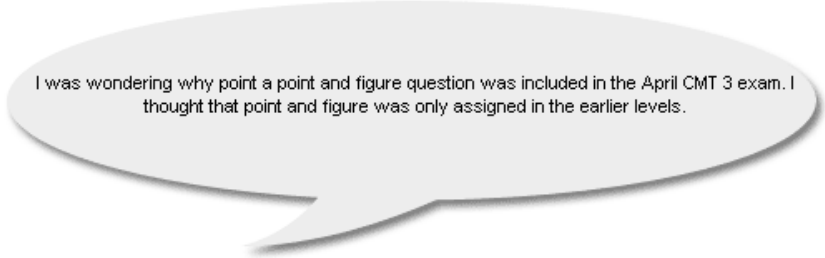
Is there a book for the Code of Ethics for CMT that I need to order?

Answer: The Code of Ethics can be found in several places on the MTA.org web site. There is no book to be ordered – the Code of Ethics is at the end of the reading assignments at each level. Please follow these links for a copy of the [Code of Ethics](#).

Cassandra's Corner

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 exam.

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



I was wondering why point a point and figure question was included in the April CMT 3 exam. I thought that point and figure was only assigned in the earlier levels.

Answer: "All material assigned for CMT 1 and CMT 2 candidates will be cumulative. CMT 3 candidates are responsible for the readings assigned to all levels of the CMT program curriculum." This is taken from our Body of Knowledge. Here is an excerpt from the MTA.org website: "Listed below and on the following page are the reading assignments for the Fall 2010 CMT Level 3 Exam. The CMT candidate is responsible for knowing and understanding the entire list of reading assignments, in addition to the CMT 1 and 2 reading assignments." The referenced question made use of point and figure charts and asked the candidate for analysis of these charts. This question asked about intermarket relationships as well as analysis of the charts.

I don't speak English well. Do you grade us on grammar and spelling?

Answer: We are testing your knowledge of technical analysis. We do not grade you on grammar, spelling or anything approaching an English exam. The CMT exams are English based exams and candidates must practice answering the questions in English. It also helps to keep your answers as brief as possible. Remember, the grader is looking for you to demonstrate that you understand technical analysis. For example, if you are asked to identify a candlestick pattern on a chart, simply write the answer such as "this is an abandoned baby top/bottom" or "Abandon Baby top/bottom." If you are asked about the significance of the identified pattern, please answer the question simply and clearly, i.e., at the top of a chart, an abandoned baby top or at the bottom called an abandoned baby bottom. This is a very rare signal and generally is considered a **reversal** signal.

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.

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

CMT Level 1

Which of the following averages is a price-weighted average?

- a. Dow Jones average
- b. NYSE composite index
- c. Value Line average
- d. NASDAQ composite index

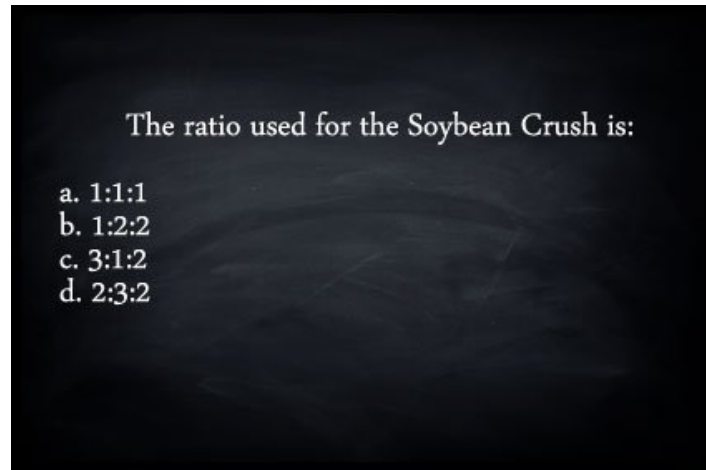
Answer: a

"The Dow Jones averages are price-weighted averages. This means that the prices for each of the component stocks are added together, and the sum is divided by a divisor that has changed the years to account for splits and stock dividends in each of the component stocks."

Reference:

Kirkpatrick/Dahlquist, TECHNICAL ANALYSIS, (Chapter 5, page 67)

CMT Level 2



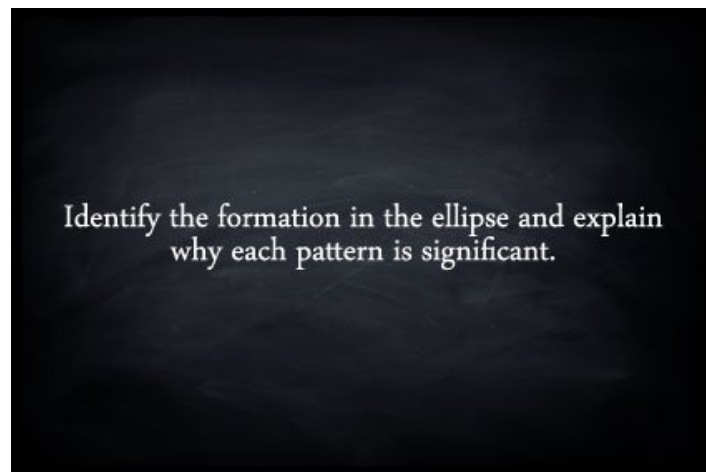
Answer: a

"The exact ratio for trading would be 10:11:9 (soybeans:meal:oil); however, most traders use 1:1:1."

Reference:

Kaufman, NEW TRADING SYSTEMS AND METHODS, (Chapter 13, page 533)

CMT Level 3





Answer:

Apple – 3 Black Crows

"The three black crows presage lower prices if they appear at high price levels or after a mature advance."

Reference:

Nison, JAPANESE CANDLESTICK CHARTING TECHNIQUES, 2nd Edition (Chapter 6, page 97)