Twitter Thread by JayneshKasliwal



JayneshKasliwal
@JayneshKasliwal



Americas Greatest stock Opportunity

Source: IBD

How To Find & Own America's Greatest Opportunities

By William O'Neil



Houston Oil was newly listed on the American Stock Exchange in October 1972 as a young company incorporated in 1966. It explored for and produced oil and natural gas mainly in Texas.

From November 1972 to November 1973 it increased 10 times in price. Not bad for a new wildcat driller strong in developing geologically complex properties.

The November 1973 top was a climax top and your chart begins at the far left with that peak in red tipping at $14 on a split-adjusted basis in the second plotted week. It then drops 65% in the devastating 1974 bear market, which resulted in the very wide and loose chart base labeled "A." That first straight up from the bottom, wide and loose base failed.

Next, Houston Oil forms a second bad base "B." The left side of this base corrects 25 weeks with many red weeks on increased volume (normally the left side is 5 to 7 weeks and in a few cases 13 weeks, not 25). The handle's peak price up from the low of the base should get above overhead supply area. It did not in this case and the handle's correction was too deep (22%).

The third base at "C" is much tighter and is a correct 9-week cup without handle. The third time's a charm and is the sound base to buy as the stock goes from $13 to $60. Once again we see a big winning stock has a huge run up, tops materially, goes nowhere for 2-1/2 years, fooling people with long sloppy bases that fail and finally, in one week, pops up completing a sound cup and the exact right time for you to buy.

Think about this. You had 111 wrong weeks to buy when your odds of losing were high and just one week where the correct cup appears and you can buy at the right time and make over 300%. Investing isn't easy. You must have charts to tell you the difference between the many faulty stocks and the few potentially phenomenal stocks. You can learn to do this if you're really motivated and never give up.

When you've made some mistakes and the market's in a decline, the worst thing you can do is give up on investing, cancel your IBD subscription and chart service, and here's why! Eighty-six percent of all great stocks of the last 27 market cycles (over 100 years) built their classic chart bases during general market corrections. You absolutely have to be on the job every week doing your homework to be certain you're there when the market turns up and the next new leaders complete their bases and it's the exact time for you to buy. Since early 2004, Apple formed 10 classic bases during its 5,577% advance before it finally topped. Nine were built and completed during general market corrections.

