

Quick Guide To WinTick

AbleSys Corporation

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WinTick is the industry first online trading system as well as a true Internet-based market search engine using ASCtrend technology. No charting software or data is needed. It works through a web browser of Windows, Macintosh, Linux or Unix.

WinTick is mainly designed for eASCtrend users for stock position trading. WinTick scans over 10,000 U.S. stocks on daily basis. The goal is picking the best stocks for using with eASCtrend trading system. WinTick uses fixed default parameters to scan. eASCtrend users can use a better set of parameters for each stock. WinTick is like one size cloth to fit all. eASCtrend is like a cloth tailored to each one.

This quick guide provides basic concepts and usage of WinTick. WinTick summarizes broad spectra of the stock markets on daily basis. No one can keep tracking and trading all the groups (lists) in WinTick. It is OK to only track and trade one or two lists. Find the one fitting you the best. Make profits from your daily practices. The guide here will cover the following aspects:

- A. Trading WinTick Stock Hot Picks
- B. Trading WinTick Trading System
- C. Broad Based Holdings, Sectors, International Stocks
- D. Futures Trading with WinTick
- E. WinTick Portfolio
- F. For eASCtrend Users

A. Trading WinTick Stock Hot Picks

1. Today Stock Hot Picks

This list is for swing trading. The Buy/Sell daily hot picks provide a list of stocks that they are about to make move or at their early stage of a trend. When a stock at its early stage of a trend, the rating scores normally are not so good that many of them have C or D scores. Don't pay too much attention to the scores for this list. WinTick picks the stocks, but you still need to view their weekly charts and daily charts to see whether you like or not.

Why using weekly charts? Most funds managers are long-term holders. They have to use weekly or even monthly charts to see the big pictures. So do you. In this quick guide, we always use "buy" list to explain the conditions. We try to not use ASCtrend indicators to explain because not all users have the software. **Watch for these four factors in weekly charts:** (1) You must see a pre-up trend in the previous weeks. (2) You must see at least 4 to 8 week price stabilization in the previous weeks. It means the price didn't break out 4 to 8 week's low (for buy). (3) You must see volume (interest) picks up in the previous weeks. (4) Also, you must see moving average line slope up. When you see the four "must" met, it is ready to enter the buy position for the hot picks.

It's impossible for WinTick to be right all the time. **When do you know the position is wrong?** WinTick provides "Position Change Price" (PCP). When you see the market price closed below the PCP, then you should exit the long position. Also, if you see the price breaking out (closed below) the low of last 4 weeks, it is also a time to exit.

How to exit positions? When to exit is a more difficult topic. This is only a basic guideline. In case of buying 500 shares, if you are in the right direction and the stock price is up 10 to 20% in a few days, exit 250 shares with profits. If the stock keeps moving up, and has 4 week price stabilization, then you may add 500 more shares to the position. You don't have to follow the 100% mechanical trading signals for this group. There are about 20 hot picks daily in average. It keeps new trading idea coming. It gives you more "next bus" to ride. Therefore, you don't need to chase the markets. Always try to find the best trading opportunity more frequently.

2. Today Pre-Break Out Stocks

This list is for tomorrow trading (don't hold for a long time). In the case of buy, the "Pre-Break Out" stocks are those stocks which are in up-trend of daily charts, WinTick has been in a long/hold position, and their price movement is in a very small congestion range, and they are about to break out in next day or so.

You may put the Pre-Break Out stocks to your watching list (such as AutoScan List of eASCTrend, RadarScreen of TradeStation , or quote monitor of eSignal etc.). This type of trading is also very short. Normally we only hold the positions for a few days. As soon as the break out happens, the price movement is relatively big, 5 to 20% in a few days. We simply take the quick profits and run.

3. Today Break Out Stocks

This list is for tomorrow trading (don't hold for a long time). In the case of buy, the "Break Out" stocks are those stocks which are in up-trend of daily charts, WinTick has been in a long/hold position, and their price movement is in a very small congestion range in the last 10 days, but the stocks just break out today. We expect the stocks to continue going in the same direction in the next a few days.

You may put the Break Out stocks to your watching list (such as AutoScan List of eASCTrend, RadarScreen of TradeStation , or quote monitor of eSignal etc.). This type of trading is also for a very short term. Normally we only hold the positions for one to a few days. As soon as the break out happens, the price movement is relatively big, moving 5 to 20% in a few days. We simply take the quick profit and run. In case of false break out, then you simply exit if the price is down below the low of yesterday.

4. Put Big Moving Stocks To Watching Lists

These lists are for position trading. WinTick keeps tracking fast growing fishes in the ocean of stock markets. It provides lists of **Top 10 Gainers/Losers** in one day, in one week, in one month, in three months, in six months and in one year. It also lists 52-week high/low stocks on daily basis. It provides volume leaders and most traded stocks every day as well. These lists don't mean you should buy/sell them next day. It gives you idea what is hot, what other people trade now. You may find stocks gaining 100% to 1000% a year in these lists. You then need do homework to study some of the stocks, put them your watching lists and wait for the best opportunity to enter the positions.

B. WinTick Trading System

These lists are the main reason why to use WinTick. These lists are for position trading:

1. Top Rating Stock List
2. Most Profitable Stock List
3. Best System Performance Stock List

You may select stocks from the lists to form your own portfolio. See example online http://www.wintick.com/6_0/backtesting/stock_report.pdf. The example was made by eASCTrend 6.0 EODS trading system software. You may see more information at web site http://www.wintick.com/6_0/eod_stock.asp.

WinTick is a 100% mechanical online trading system. It provides specific buy/sell signals, stops, and back testing reports for each symbol every day. The above three lists offer the best picks to trade the stocks with the mechanical trading approach.

Before introducing the trading methods for these three groups, let's getting familiar with some of the definitions.

- **WinTick Score:** WinTick Score is calculated based on a proprietary formula. It summarizes scores from long-term trend, short-term trend, market momentum, profit factor, AbleSys index and total net profits of the WinTick system. The score range is from 0 to 100. The higher the score is, the better to hold or to trade the market.
- **WinTick Rating:** WinTick Rating is assigned based on WinTick's Overall Score. The higher score, the higher rating. The ratings are A+, A, B+, B, C+, C and D. The best group has A+ rating, and the worst group has D rating.
- **WinTick Position** - Buy means a long position is starting today. Sell means a short position is starting today. Long/Hold means the Buy position was started before, and it holds the long position today. Short/Hold means the Sell position was started before, and it holds the short position today.
- **Position Date** - Current Buy/Long or Sell/Short position beginning date.
- **Position Change Price** - If the current system position is long, the position change price is below the current market price. You will exit your long position at the position change price if you have a long position. You can open a short position at the position change price. If the current system position is short, the position change price is above the current market price. You will cover your short position at the position change price if you have a short

position. You can open a long position at the position change price. This field is only available for paid WinTick service members. Please note the position change price may not be reached next day. Also, the position change price may move upward the next day for a long position and move downward the next day for a short position. This is how you lock in your profit.

- **WinTick Position Net Gain** - It is the difference between today's close price and WinTick position price. Positive means WinTick made the right trend indications and you would make gain (profit) if you follow WinTick. Negative means loss.
- **WinTick Position Net Gain %** - It is the WinTick Position Net Gain divided by the WinTick price in position date.
- **Volume Leader** - Yes or No. Volume Leader is defined as today's volume is greater than 1.5 times of 21 day average trading volume.
- **AbleSys Index** - Total Net Profit is our goal in trading. Three key factors of a trading system will help us to reach this goal:

(a) Winning Rate = (Winning Trades / Total Trades) • 100%.

(b) Win/Loss Ratio = Avg Winning Trade / Avg Losing Trade.

(c) Profit Factor = Gross Profit / Gross Loss.

Among above three factors, the Profit Factor is the most important. If Profit Factor > 1.0, it indicates that the trading system is a winning system. If Profit Factor > 1.5, it is a tradable system.

AbleSys Index is an overall performance factor, which equals the product of (a), (b) and (c), i.e., AbleSys Index = (a) x (b) x (c) If AbleSys Index = 0.5, the trading system is just breaking even. If AbleSys Index > 0.5, the trading system is a winning system. In general, AbleSys Index > 1.2, the system is a tradable system. Do not trade any symbol or chart with an AbleSys Index less than 1.2 even though the symbol or chart may be one of your favorites.

- **Max Draw Down:** the largest drop in equity (or account value in dollars) throughout the entire trading period.

The Top Rating Stocks are the stocks having the best scores in last year. They can be buy/hold or trade with the ASCTrend default 100% mechanical trading signals. All the entry and exit prices are based on the day close price. Here, WinTick uses the default settings (i.e. fixed all parameters) for all symbols, not optimized for each stock.

For top rating stocks, the first thing is to decide using the buy/hold strategy or trading strategy. View each back testing reports. Compare the results of buy/hold vs. trading. It is easy to see which might be the best for the stock.

The Best System Performance Stocks are the stocks having the best AbleSys Index following ASCTrend 100% mechanical trading signals in last year. They have good net profits, but may or may not have the best net profits. This group gives balanced net profits, winning rate, maximum draw down overall.

The Most Profitable Stocks are the stocks having the best net profits following ASCTrend 100% mechanical trading signals in last year.

Each stock or market has its own characters. Some are very chopping. Some are very trending. WinTick singles out the best candidates to use with this mechanical trading system. And, the lists here are updated daily.

The 100% mechanical trading is easy, but also not so easy. The easy part is that if you see the buy/sell signals at night, then you will buy/sell at open of next day. The not so easy part is that success in trading mainly depends on your discipline, capitalization, money management and trading method. Trading system is part of trading method. It only has a small role in your success of trading.

C. Broad Holdings, Major Sectors, International Stocks

Stock trading are really two folds: (1) Stock Picking; (2) Stock Trading. Are you tired with daily stock picking? Here is another approach: only dealing with stock trading.

WinTick provides **Broad Holdings** list and their overall system performance. This list includes such as SPY (the S&P 500 stock index holding), DIA (Dow 30 stock holding), QQQQ (Nasdaq 100 stock holding), IWM (Russell 2000 stock holding) etc. If you think overall market is going up or down, you may simply trade the broad holding stocks.

WinTick also provides **Major Sectors** list and their overall system performance. This list includes such as HHH (Internet Holding), WMH (Wireless Holding), SMH (Semiconductor Holding), UTH (Utilities Holding) etc. If you want to trade utility stocks, you may simply trade UTH as a whole.

WinTick also provides **Major International Stock Holdings** list and their overall system performance. This list includes such as EWA (Australia), EWH (Hong Kong), EWJ (Japan), and EWG (Germany) etc. You may add international stock holdings to your portfolio.

You may simply review and select from the tables. Pick the ones having the best scores or results in last year. Review and change your positions every three months. Let WinTick tell you what to trade or to hold.

D. Futures Trading With WinTick

WinTick includes commonly traded futures and commodities, such as SP (S&P 500 index futures), ES (E-Mini S&P 500 index futures), NQ (E-Mini Nasdaq 100 index futures), bonds, major foreign currencies, major agriculture commodities, major energy futures, and major precious metals futures.

There are two methods to use WinTick to trade futures. (1) Choose your own markets, then follow the WinTick buy/sell signals. (2) Use WinTick to select the best tradable futures markets, and follow the trading system buy/sell signals to trade.

E. WinTick Portfolio

After you login WinTick, you will see WinTick's **Portfolio Manager**. The first thing is to add symbols to the portfolio. Use comma for multiple symbol inputs, such as IBM, INTC, C, ...

If you hold positions, then you may also enter the entry prices for each symbol. WinTick will keep tracking the daily trend, weekly trend, position change price etc. at your glance. You may click symbol name to get into detailed report. From the detailed report, you may click the link to see the performance report (back testing report). Also, you may click the symbol name there to link to eSignal quote and chart pages.

Please note, all WinTick Portfolio settings are stored at your local computer, not at our central servers. Therefore you have to setup the portfolio at each of your computer.

F. For eASCTrend Users

All WinTick lists can be saved and used directly by eASCTrend 6.0. From Microsoft's Internet Explorer (IE), click the floppy disk icon nearby the list, then press Ctrl-A keys to highlight all. Use Ctrl-C keys to copy. Go to eASCTrend 6.0, Tools, Setup AutoScan, press Ctrl-V to paste the list. Give the list a name, then click Save List. WinTick uses fixed parameters to all symbols. If WinTick is one size to fit all, then eASCTrend will be tailored to each one. eASCTrend uses Auto Select TSPC/DEV parameters to find the best parameters for each symbol. If the WinTick result were good, then the result of eASCTrend could be better.