

## **Suggesting a Stock**

At the present time, we currently have 2,100 symbols in our database. Jim Cramer states nightly on his TV show that he has 2,000 symbols in his head. Well that just happens to be our publishing coverage target, 2,000 symbols.

As we have a long waiting list, we are aggressively looking for symbols to delete. This happens naturally all the time, with de-listings by the exchanges, and mergers & acquisitions.

But it does not happen fast enough.

We are also constantly looking in our database, and pruning stocks that are no longer liquid, or are broken, and have no hope of recovery.

We hope you are doing the same in your portfolios.

So don't be surprised when we delete a stock that has been in the database for a couple of years, but is no longer liquid.

We are fully aware of all the new ETF's, IPO's and fad stocks (like Solar, Uranium and Ethanol,) and stocks currently hitting the most active lists.

It currently costs us around \$600 to add a new symbol to the database, plus ongoing costs during the life of the symbol.

## Adding a new symbol is not a trivial matter!

Before Suggesting a Stock, Index or ETF, please answer "Yes" to the following 3 questions.

1 Has the symbol been trading actively for at least 1 year?

We can not create charts without data. 3 -5 years is best, but we will try to work with only 1 year's worth of data.

For technical analysis to work effectively, we need data, lots of data.

*We are always shocked when someone suggests we add something that only started trading last week, what do they think we are going to chart, air?*

2 Is it liquid?

A stock that trades 1 million shares a day, but only has 1 trade per day is not liquid. Volume is not liquidity.

For technical analysis to work effectively, we need to focus on stocks that are liquid, very liquid.

To check liquidity, take a look at an intraday chart of the symbol on a site like Yahoo.

This is a very liquid stock; it trades continually throughout the day. You would be able to buy or sell it easily, and at a good price, any time during the day.

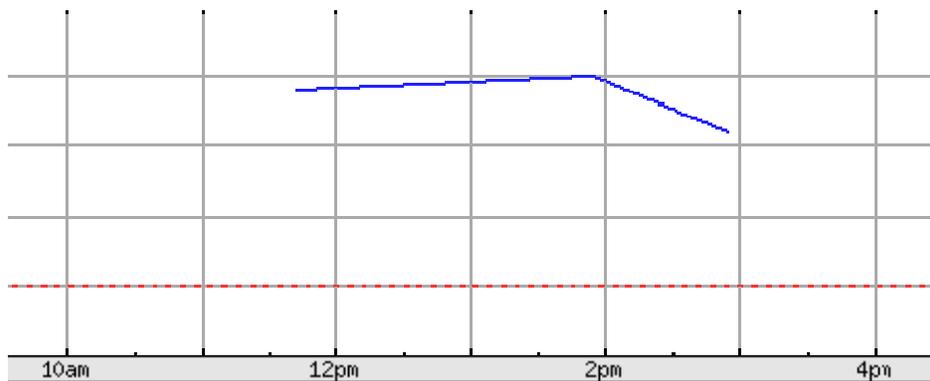


This is not a very liquid stock but may become more liquid over time. You should be able to Buy or Sell this stock throughout the day, but the spread between the bid and ask will be much larger.



And this stock has no liquidity at all.

This may not be a big risk for the Buy & Hold investor, but for a trader, this should be a BIG RED FLAG. Avoid at all cost.



3 Is this symbol a market leader, or just a "Me 2"?

The majority of the symbols listed on the stock exchanges at any time, are "Me 2's".

The majority of a markets activity is focused on the market leaders.

That is where we are focus.

If the symbol has been trading for over a year, has been very liquid during most of that period, and is a market leader, then we would be happy to test it, and see if we can add it to our waiting list.

Please do your homework before suggesting a stock, if not, we may end up billing you for our time.

And last but not least, we do reserve the right to add or delete symbols at any time without notice.

TheUpTrend Team

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