

The MONETSHOW
Caesar's Palace, Las Vegas, Nevada
May 11, 2011

New Ideas in Technical Analysis

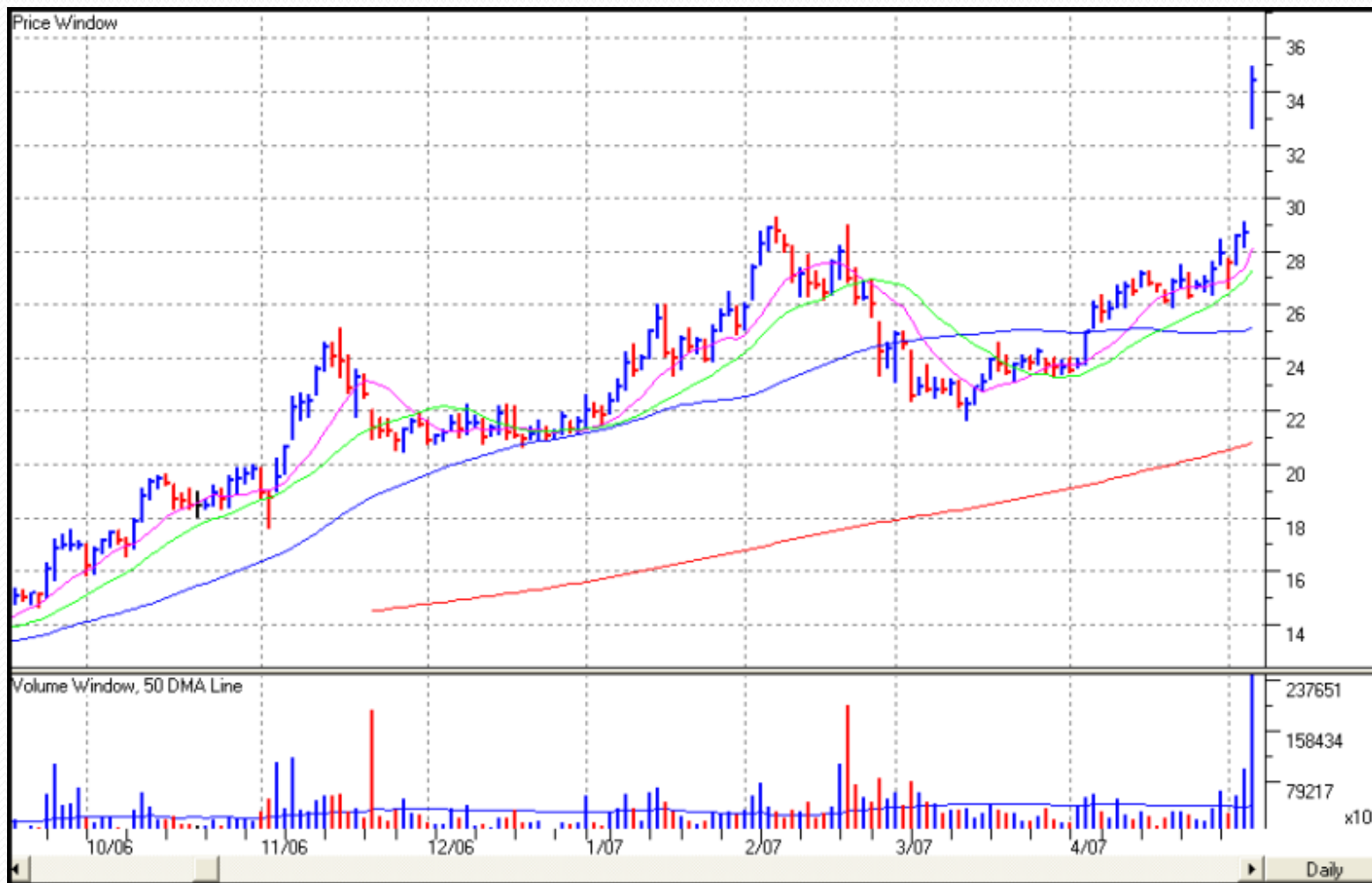
Buying Gap-Up Moves in Leading Stocks

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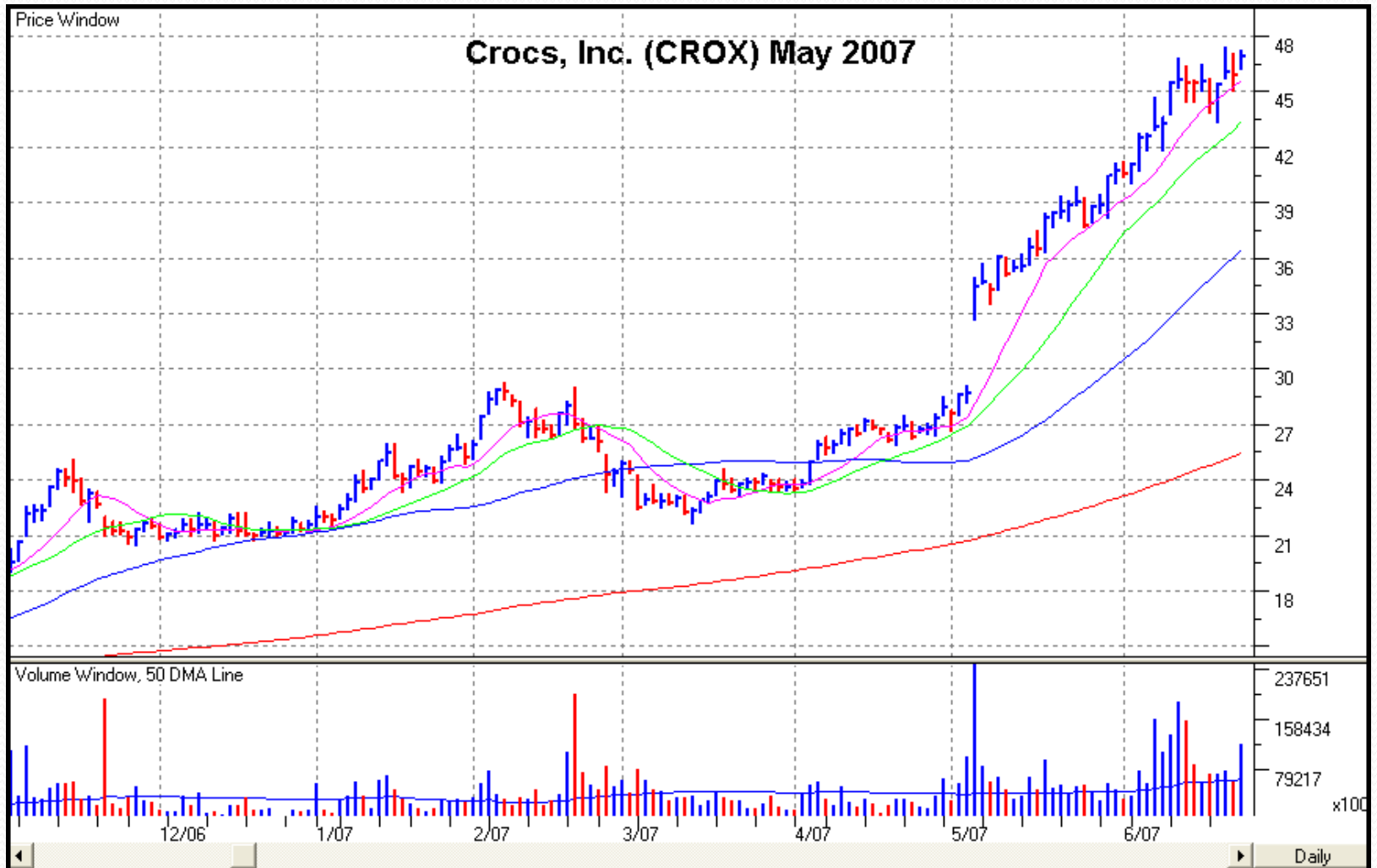
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Who would be crazy enough to buy this way up here?



We would.



Why Buyable Gap-Ups Work

- When a stock gaps up on tremendous volume, the “argument” has been won decisively by buyers.
- The power or “decisiveness” with which this argument is won is characterized by sharp upside price movement accompanied by a significant increase in trading volume – the “signature” of a buyable gap-up.
- This same tremendous buying volume is a clear sign of huge institutional buying done with conviction.
- Buyable gap-ups are aided by a unique “contrarian” aspect in that most investors don’t believe the gap and are afraid to buy it because they think it is “too high.”

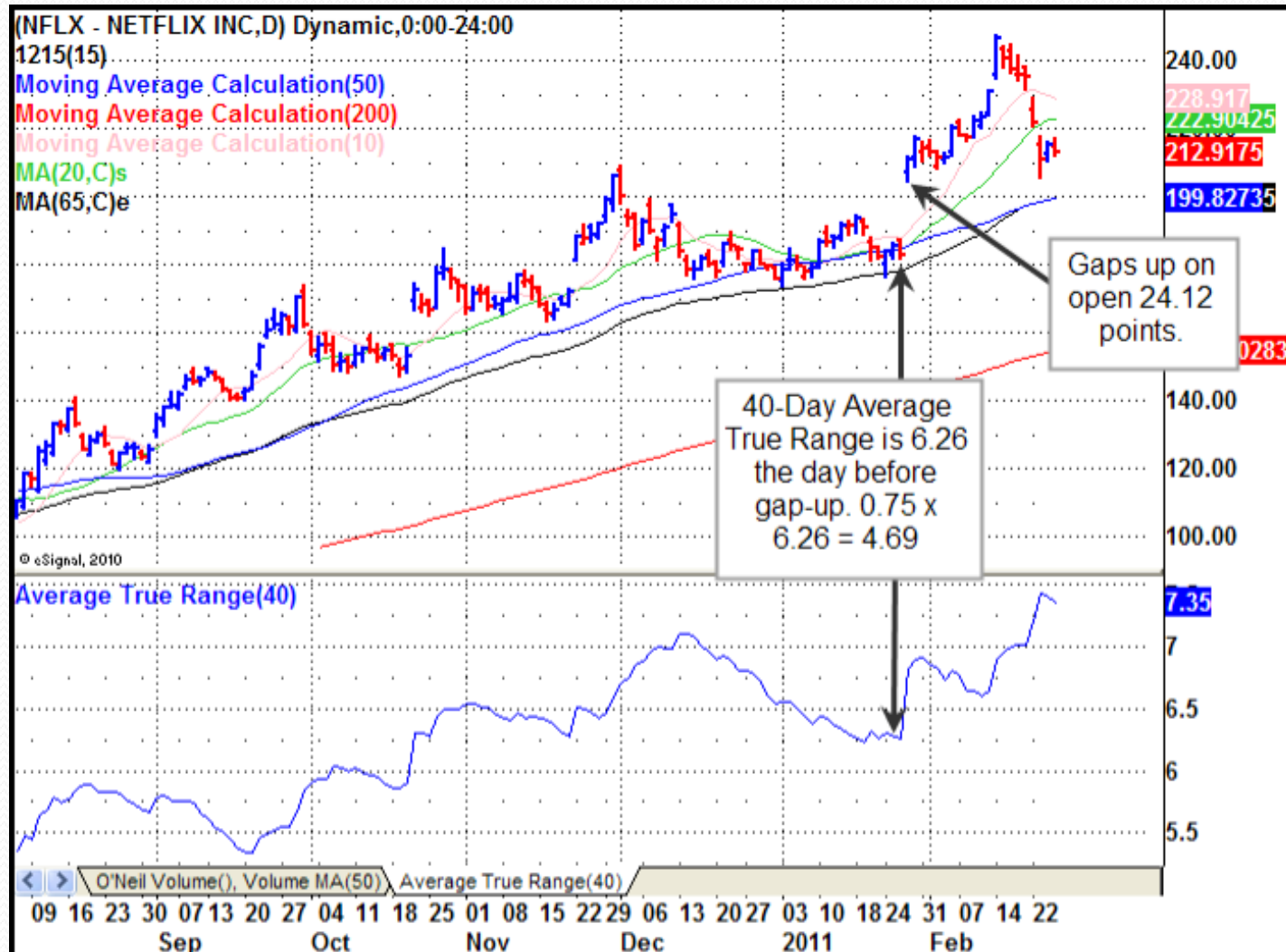
Huge-Volume Gap-Ups are the Biggest Foot Prints of Institutional Investors



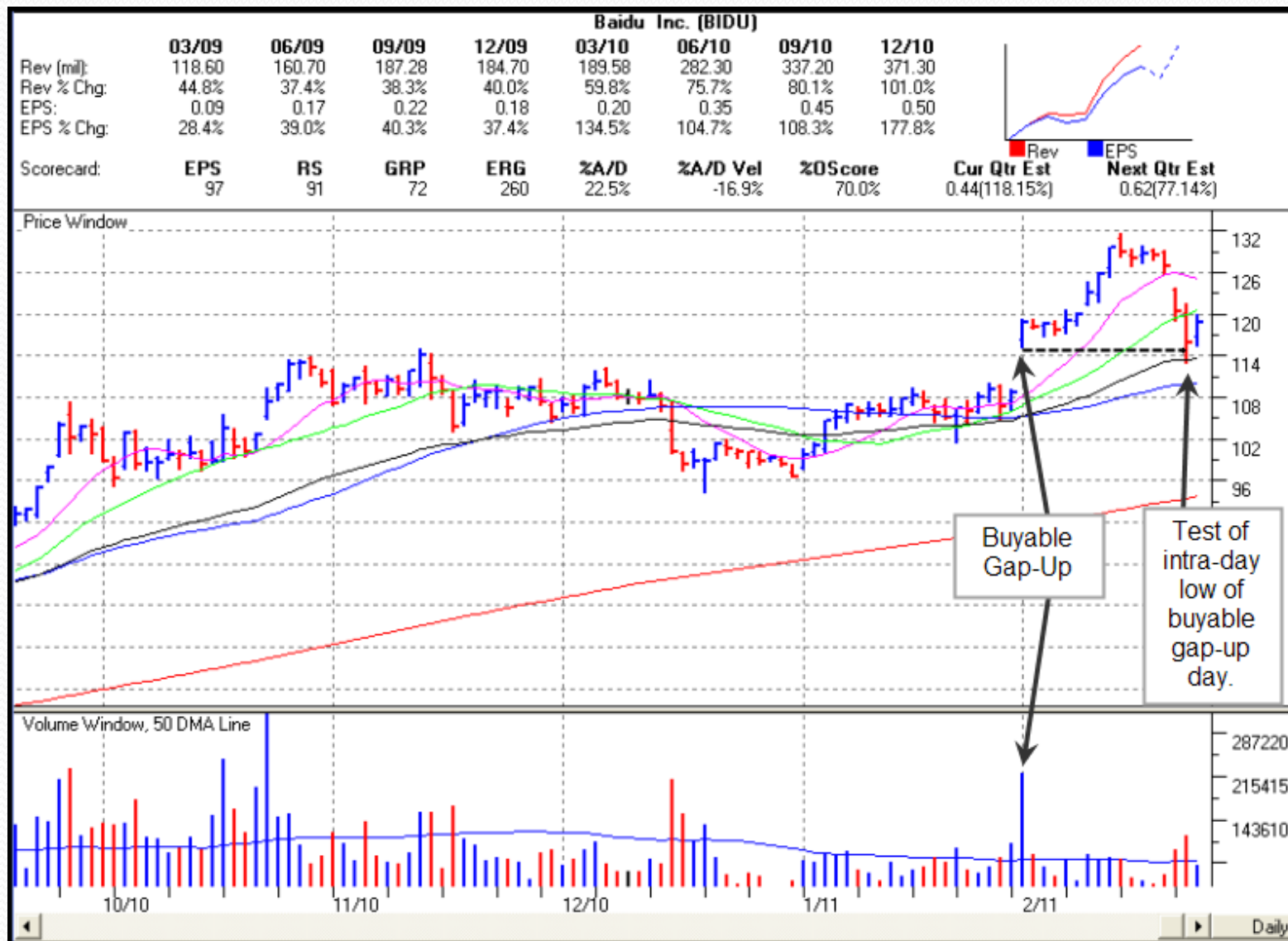
Characteristics of Buyable Gap-Ups

1. Buyable gap-ups should occur in fundamentally strong and sound leading stocks.
2. A buyable gap-up move must be at least 0.75 times the stock's 40-day Average True Range.
3. A buyable gap-up move must occur on volume that is at least 1.5 times or 150% above the 50-day moving average of daily trading volume.
4. Buyable gap-ups should occur within an uptrend or constructive consolidation, not while a stock is in a downtrend.
5. A buyable gap-up should hold above the intra-day low of the gap-up day.

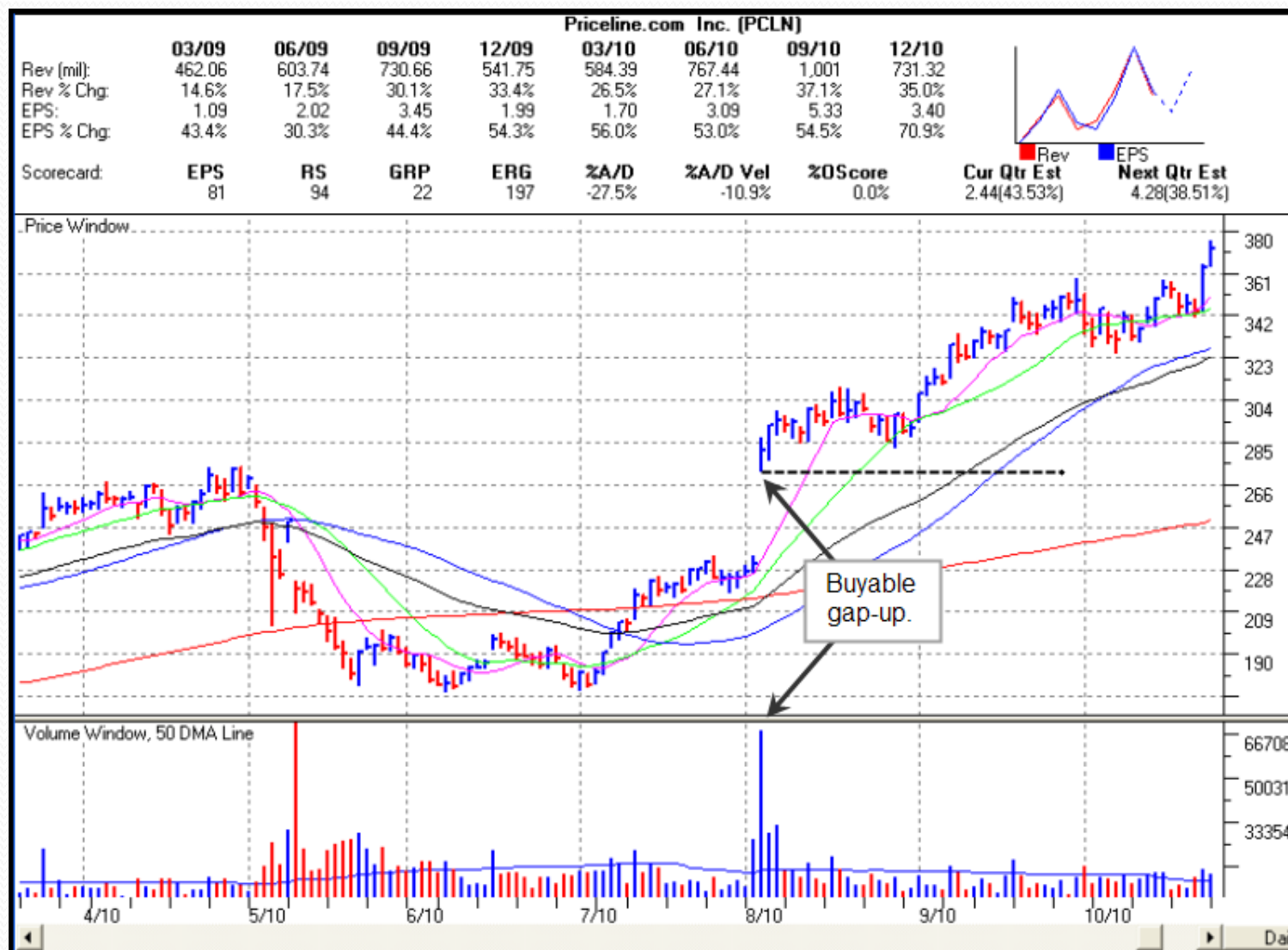
Netflix, Inc. (NFLX) Average True Range



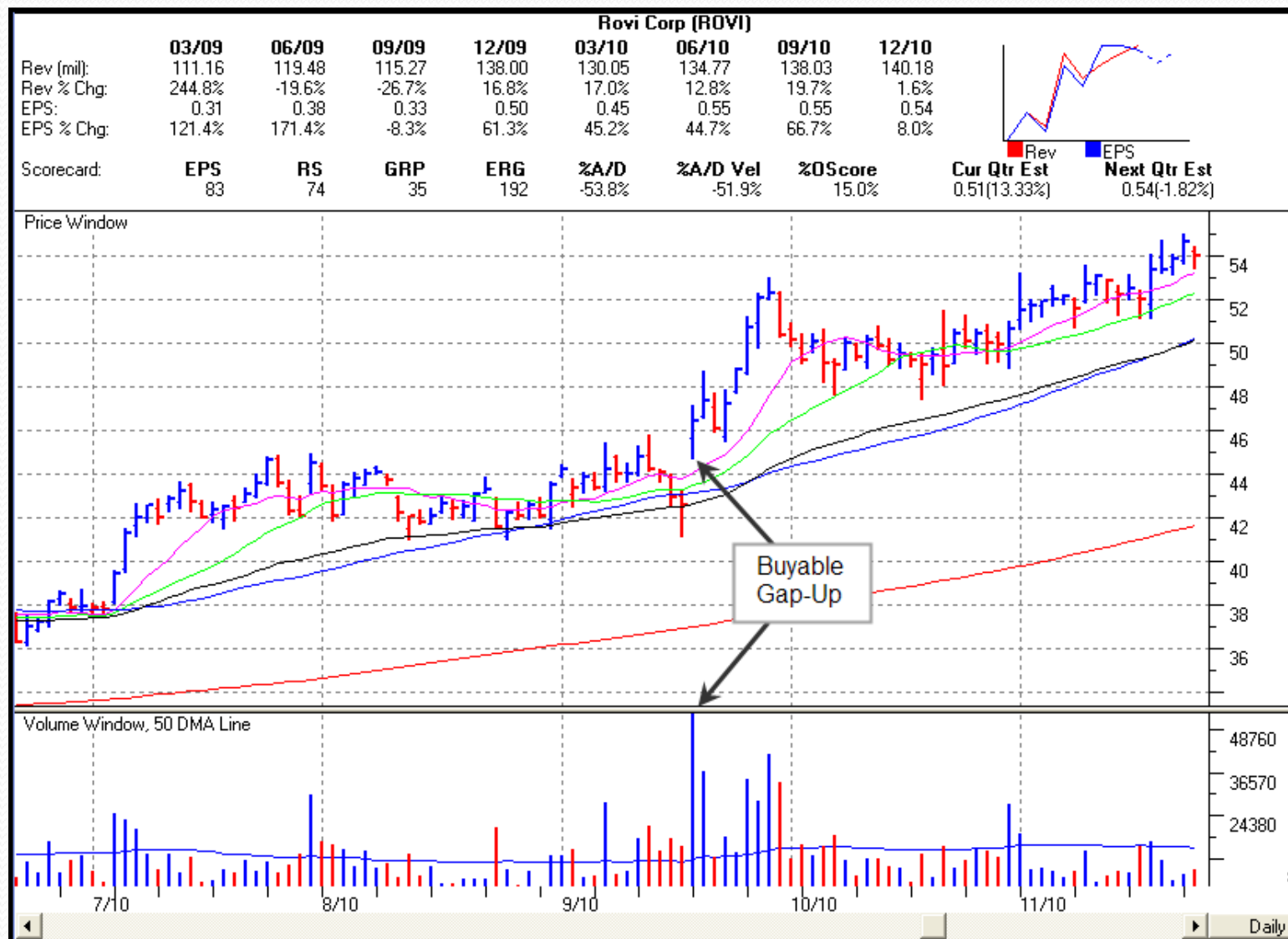
Baidu, Inc. (BIDU) February 1, 2011



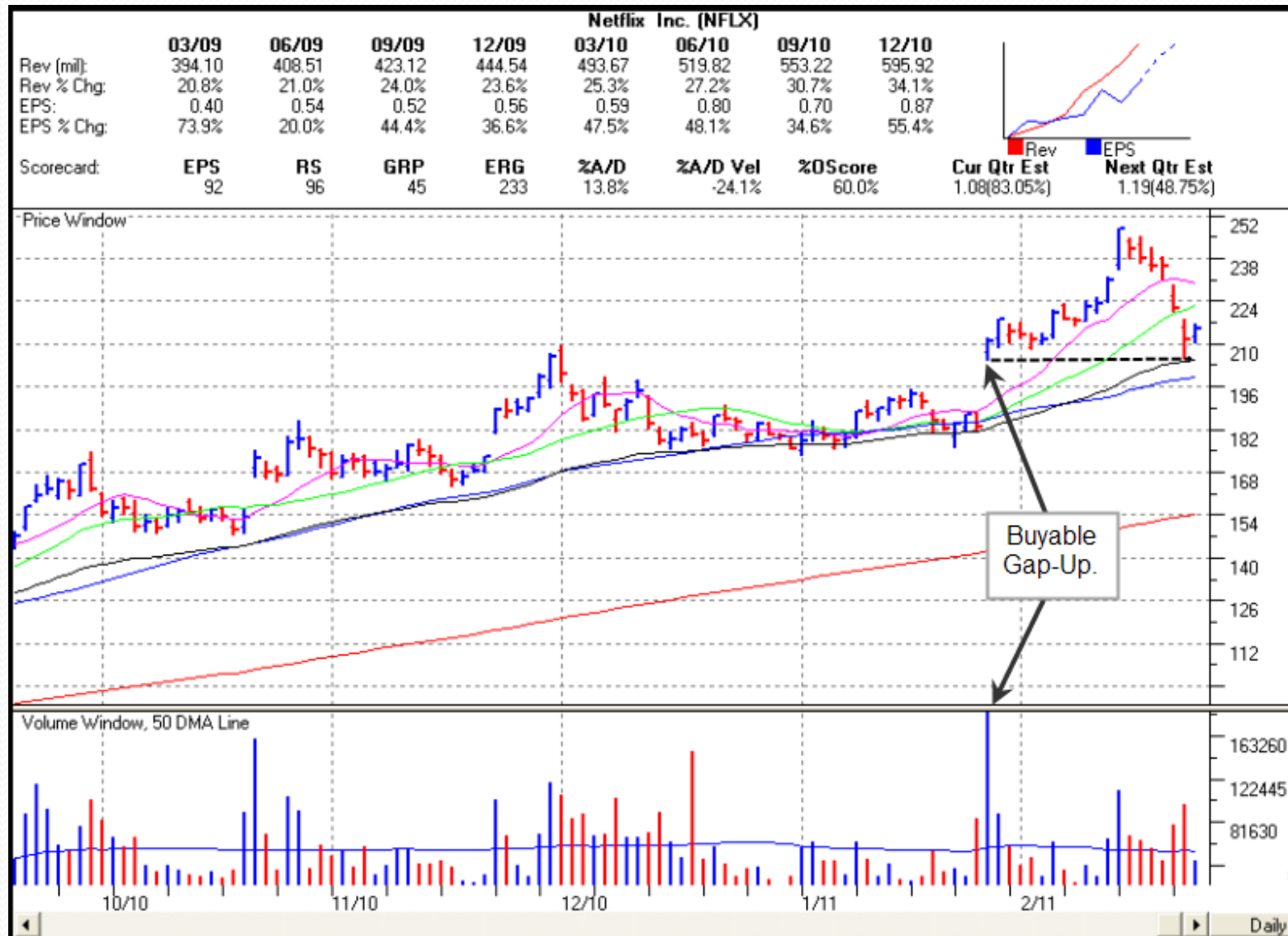
Priceline.com (PCLN) – August 2010



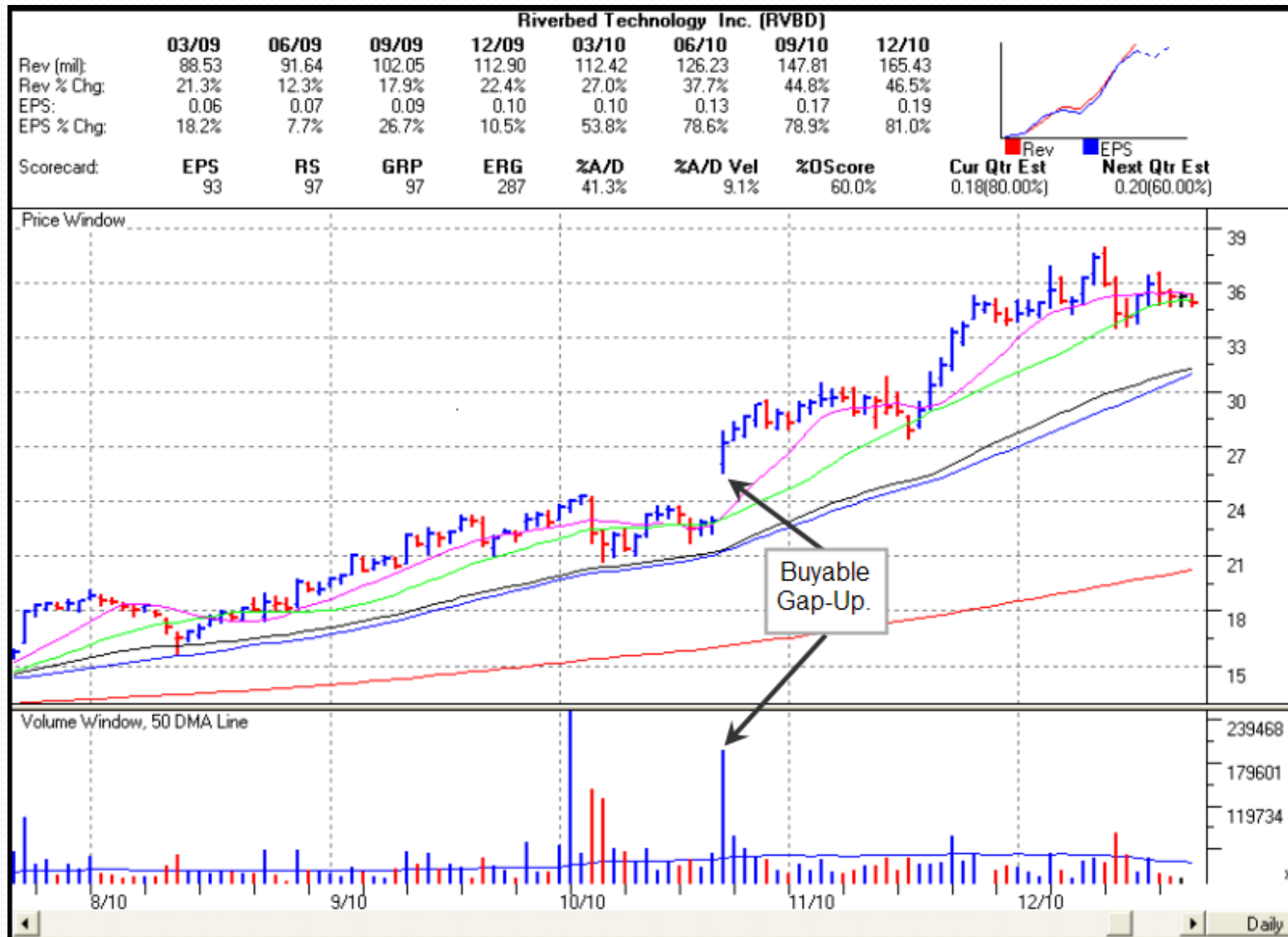
Rovi Corp. (ROVI) – September 2010



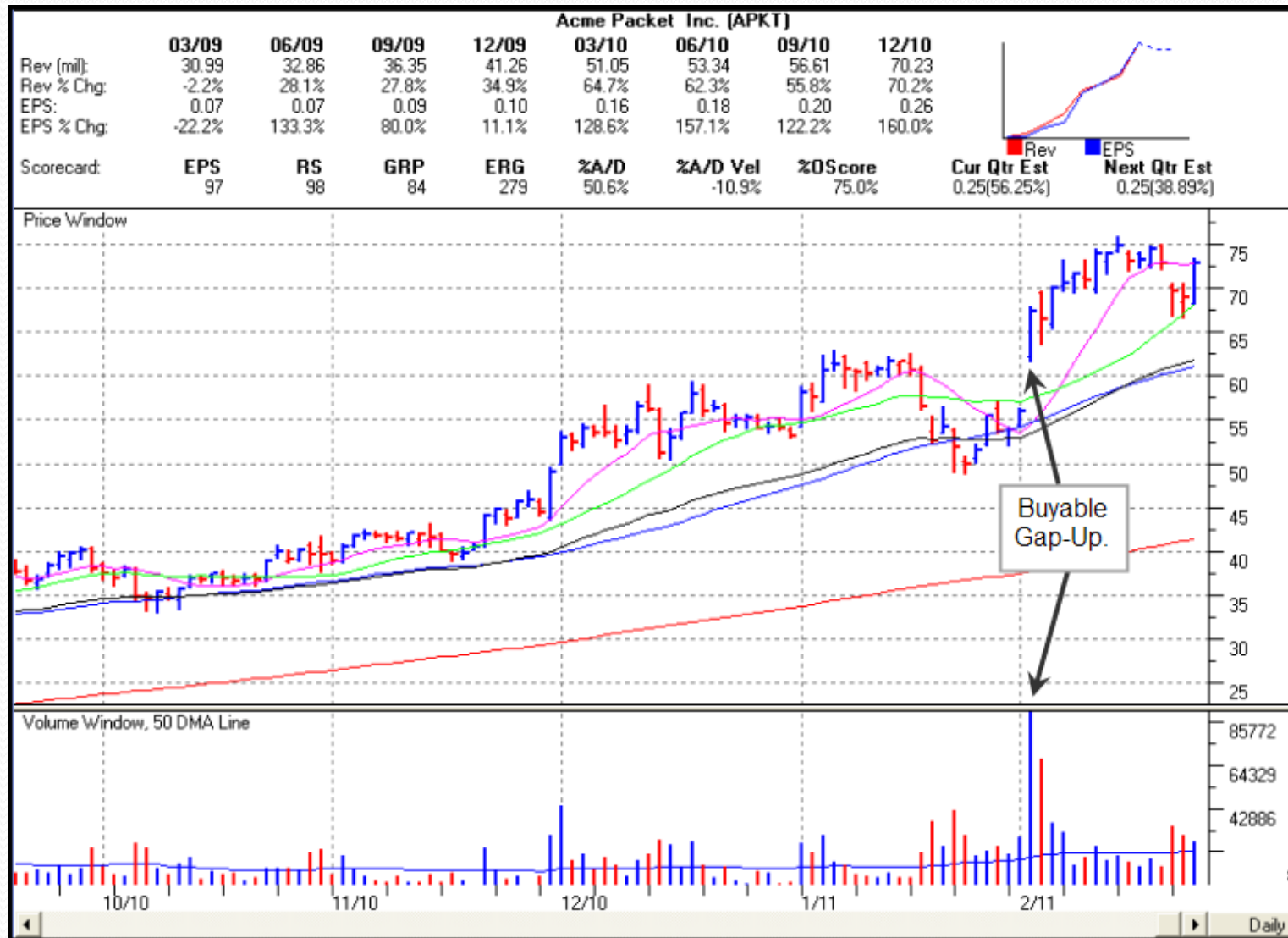
Netflix, Inc. (NFLX) – January 2011



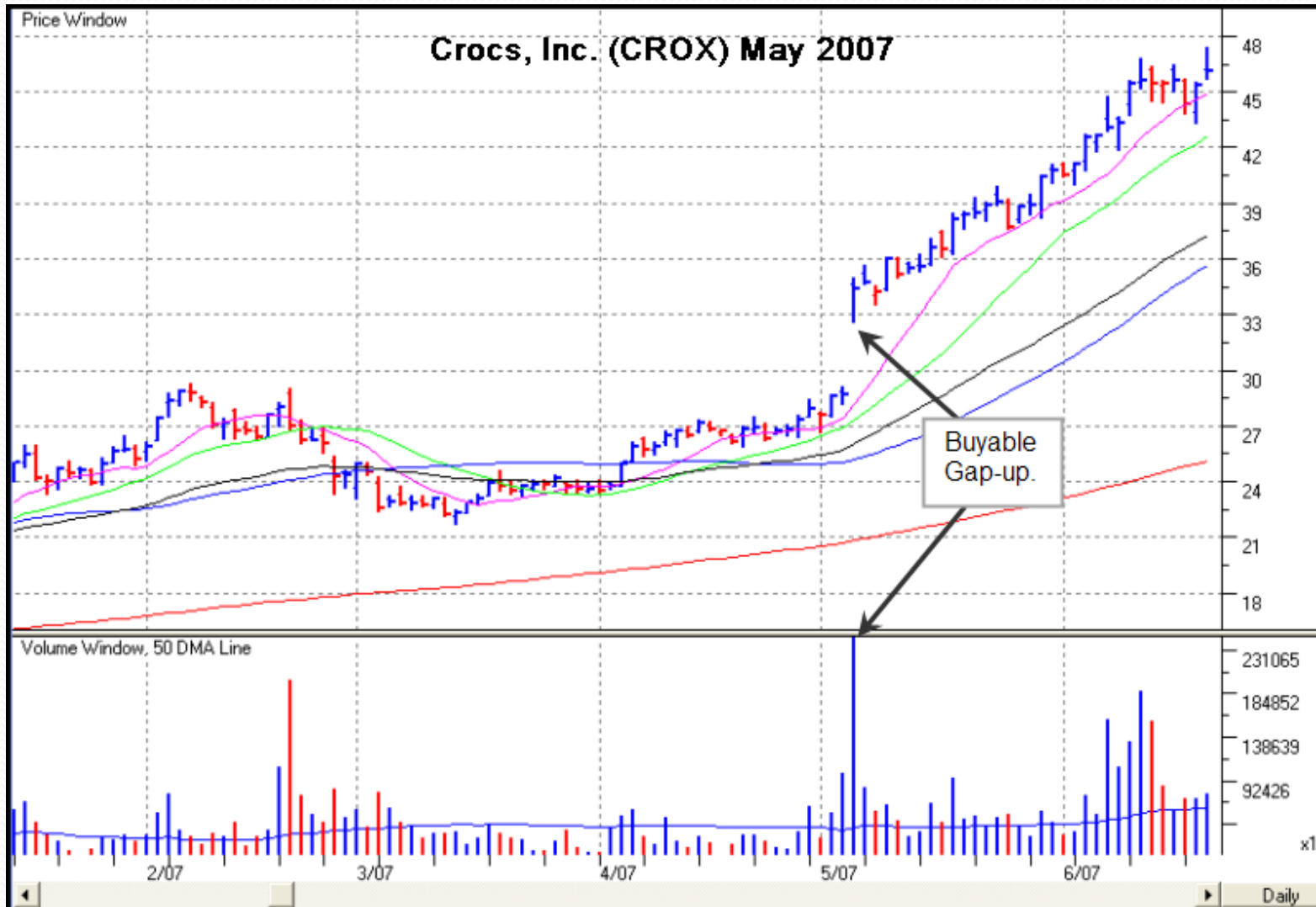
Riverbed Technology, Inc. (RVBD) – October 2010



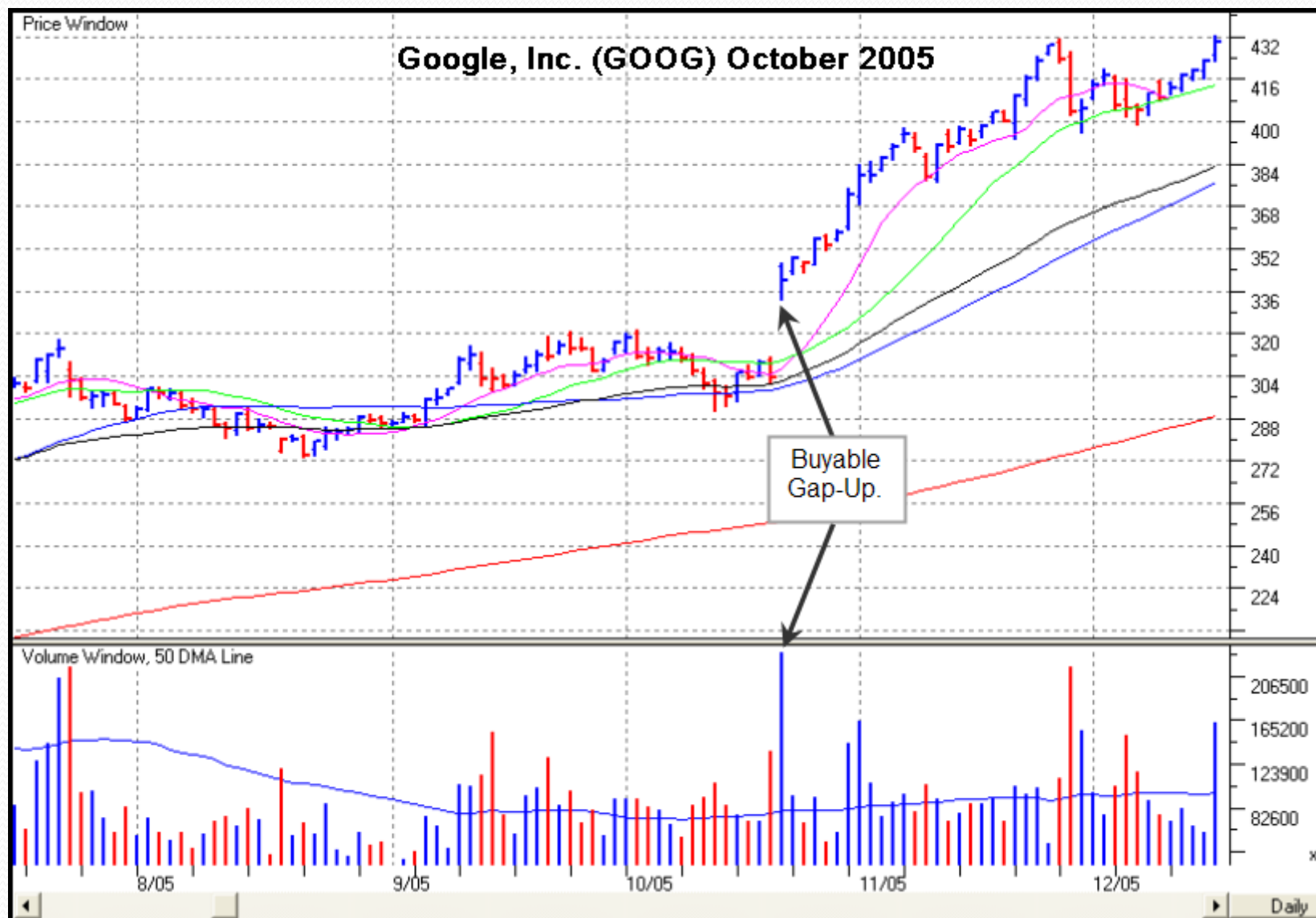
Acme Packet, Inc. (APKT) – February 2011



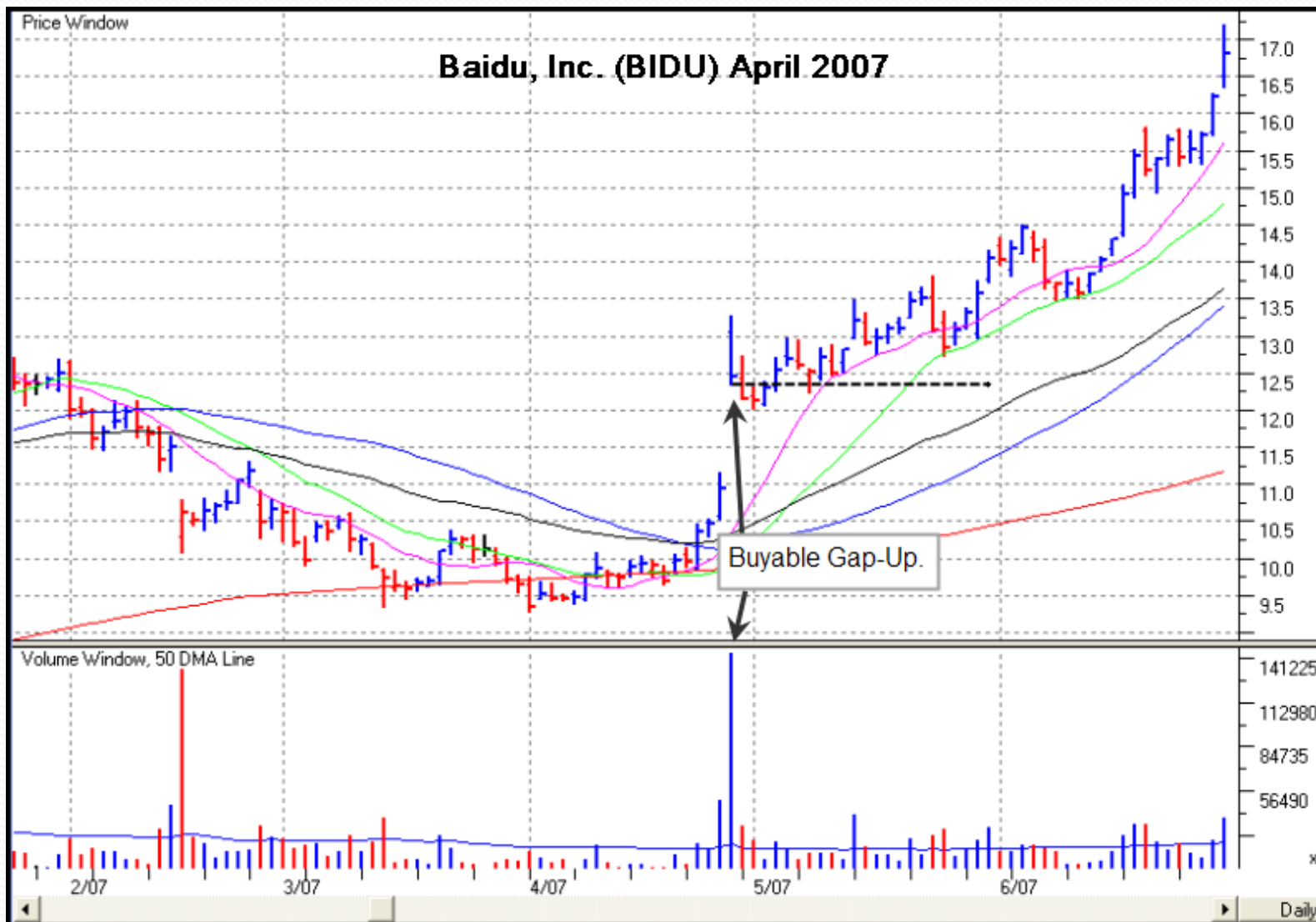
Crocs, Inc. (CROX) – May 2007



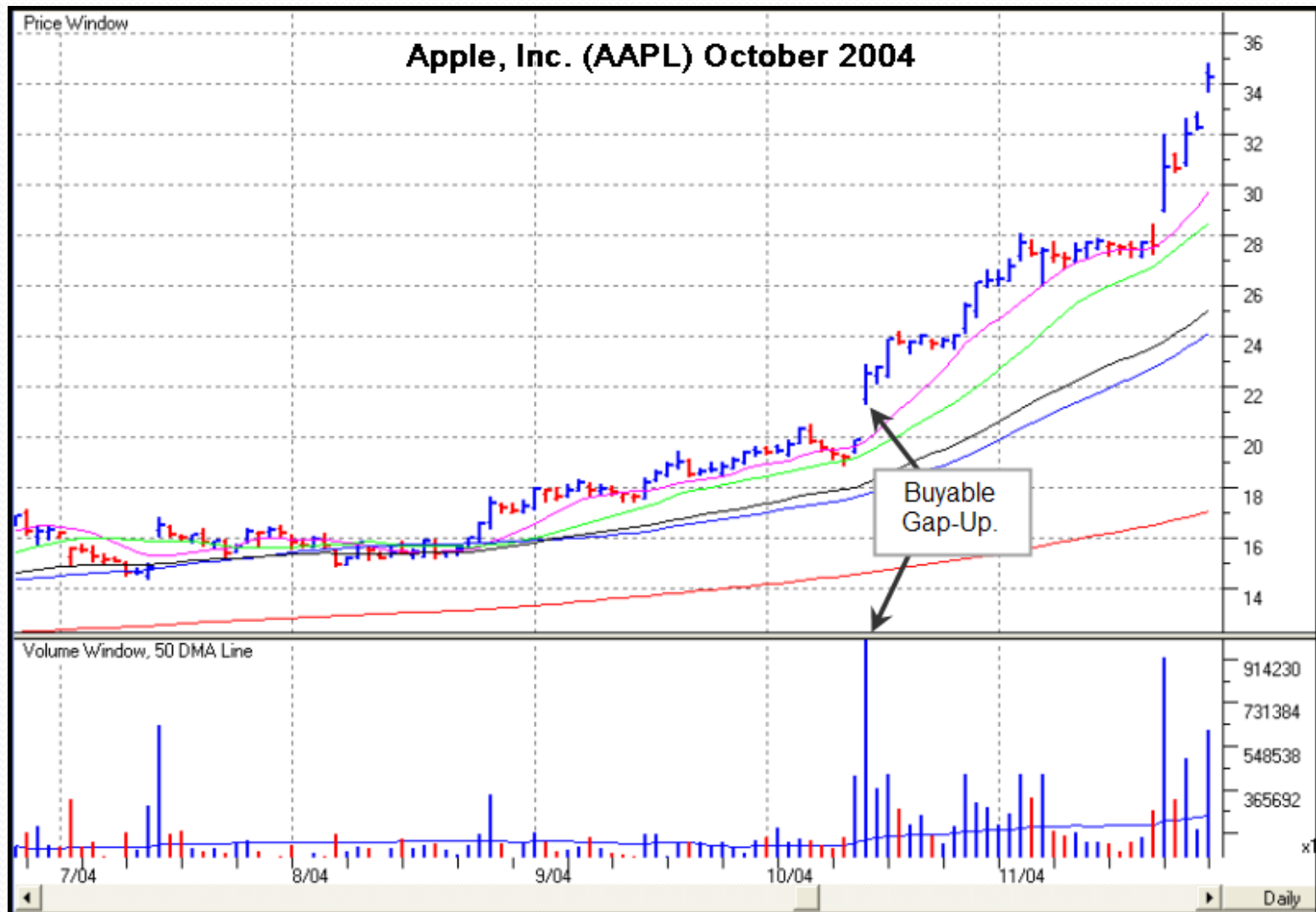
Google, Inc. (GOOG) – October 2005



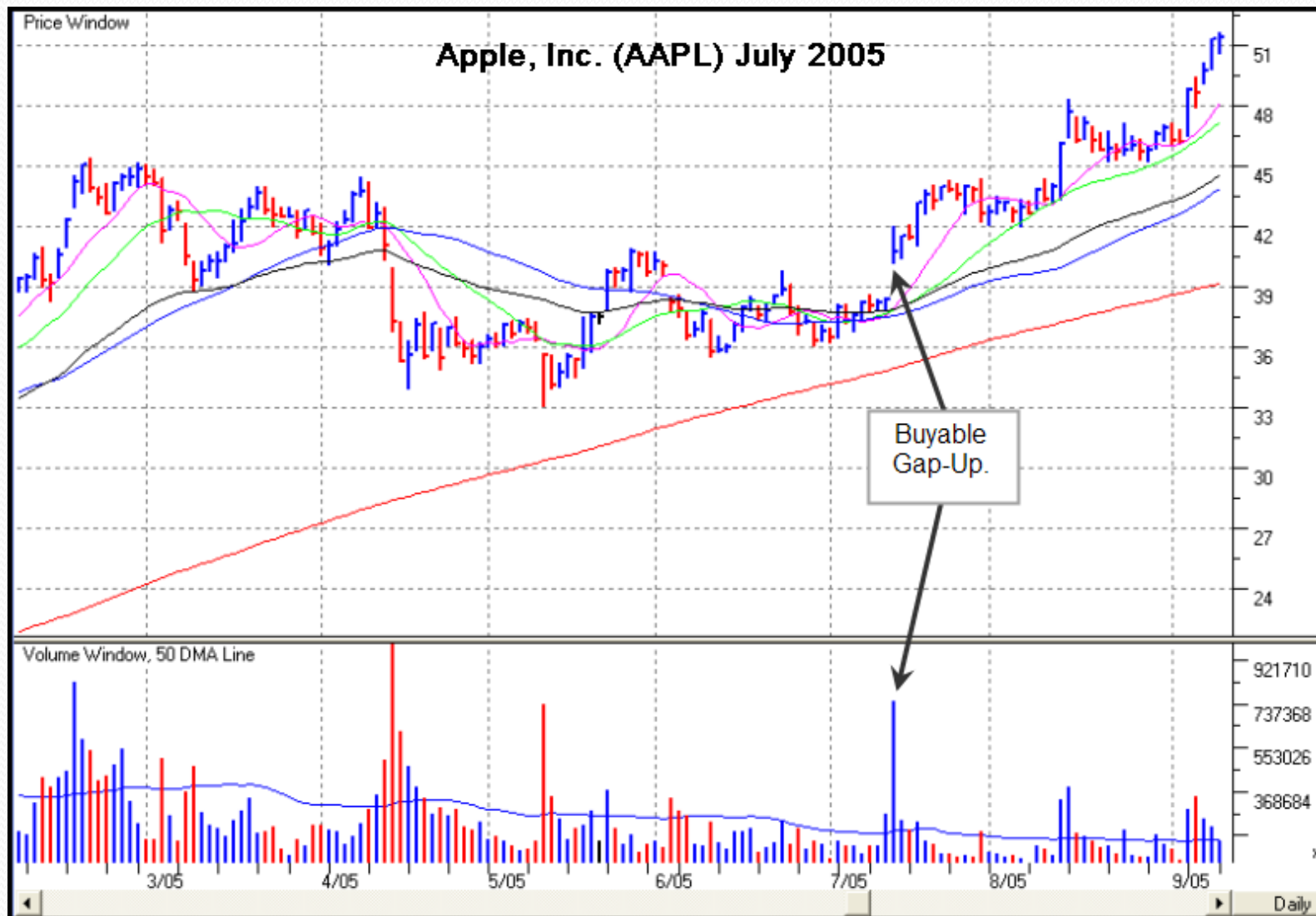
Baidu, Inc. (BIDU) – April 2007



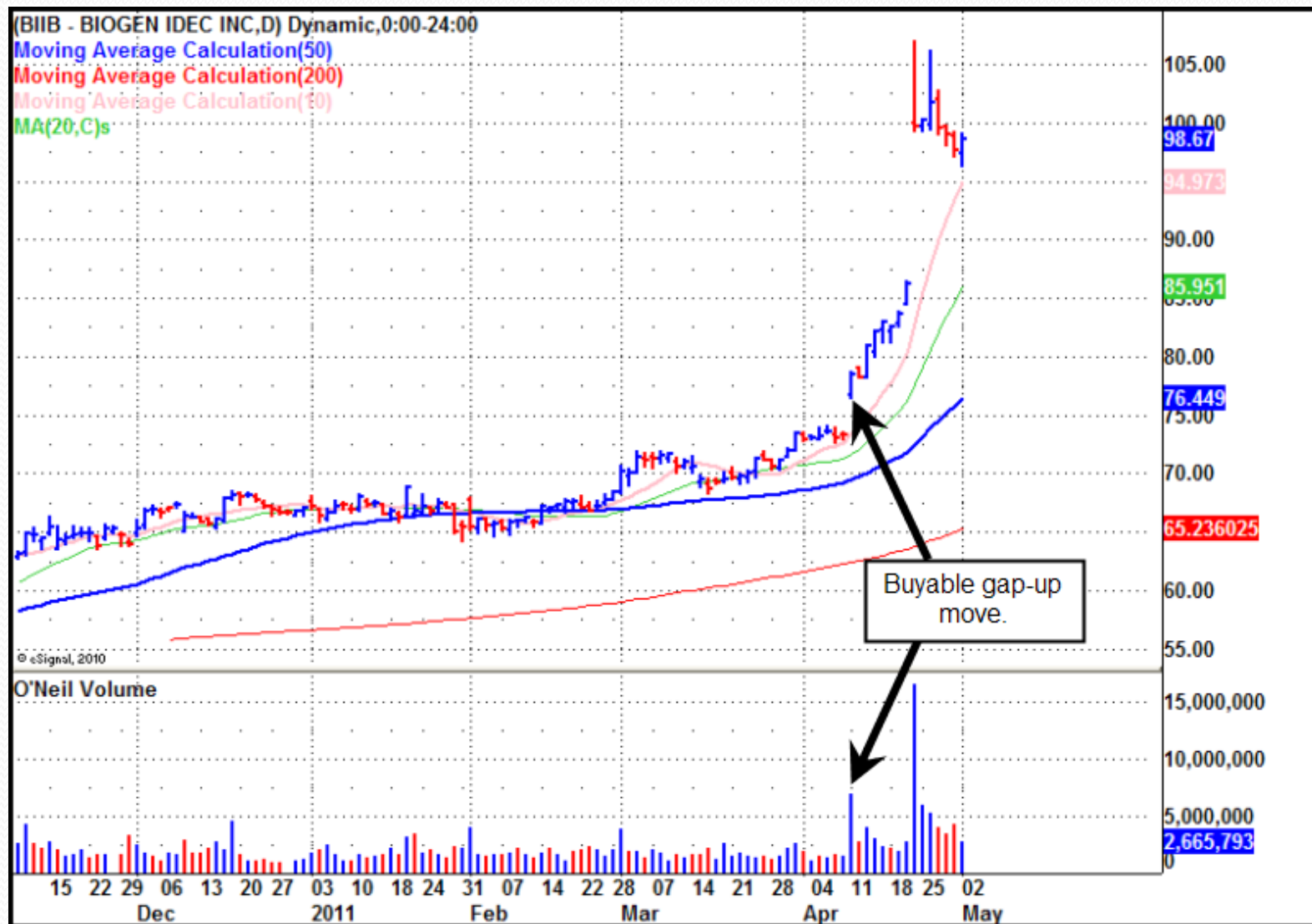
Apple, Inc. (AAPL) – October 2004



Apple, Inc. (AAPL) – July 2005



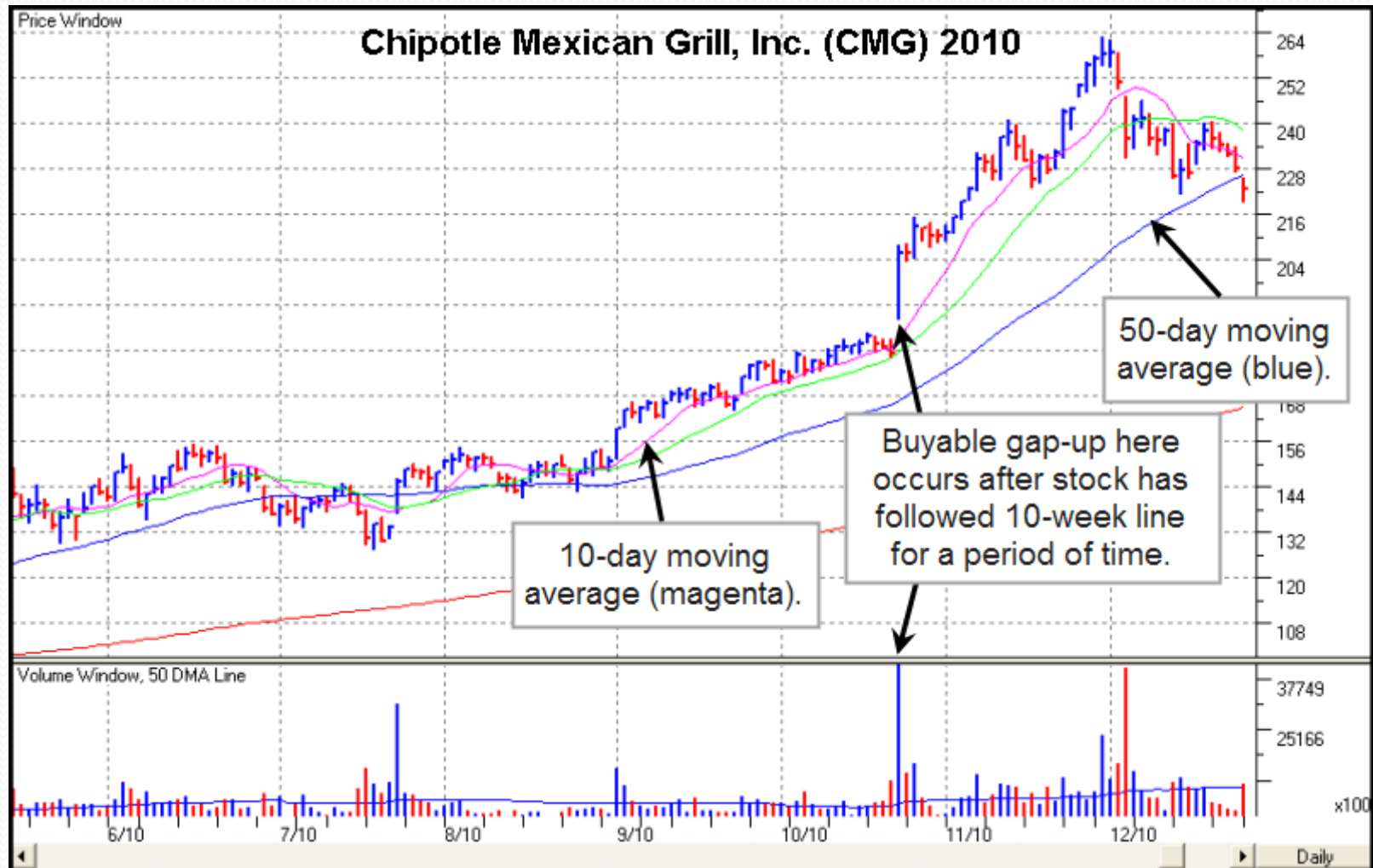
Biogen Idec, Inc. (BIIB) – April 2011



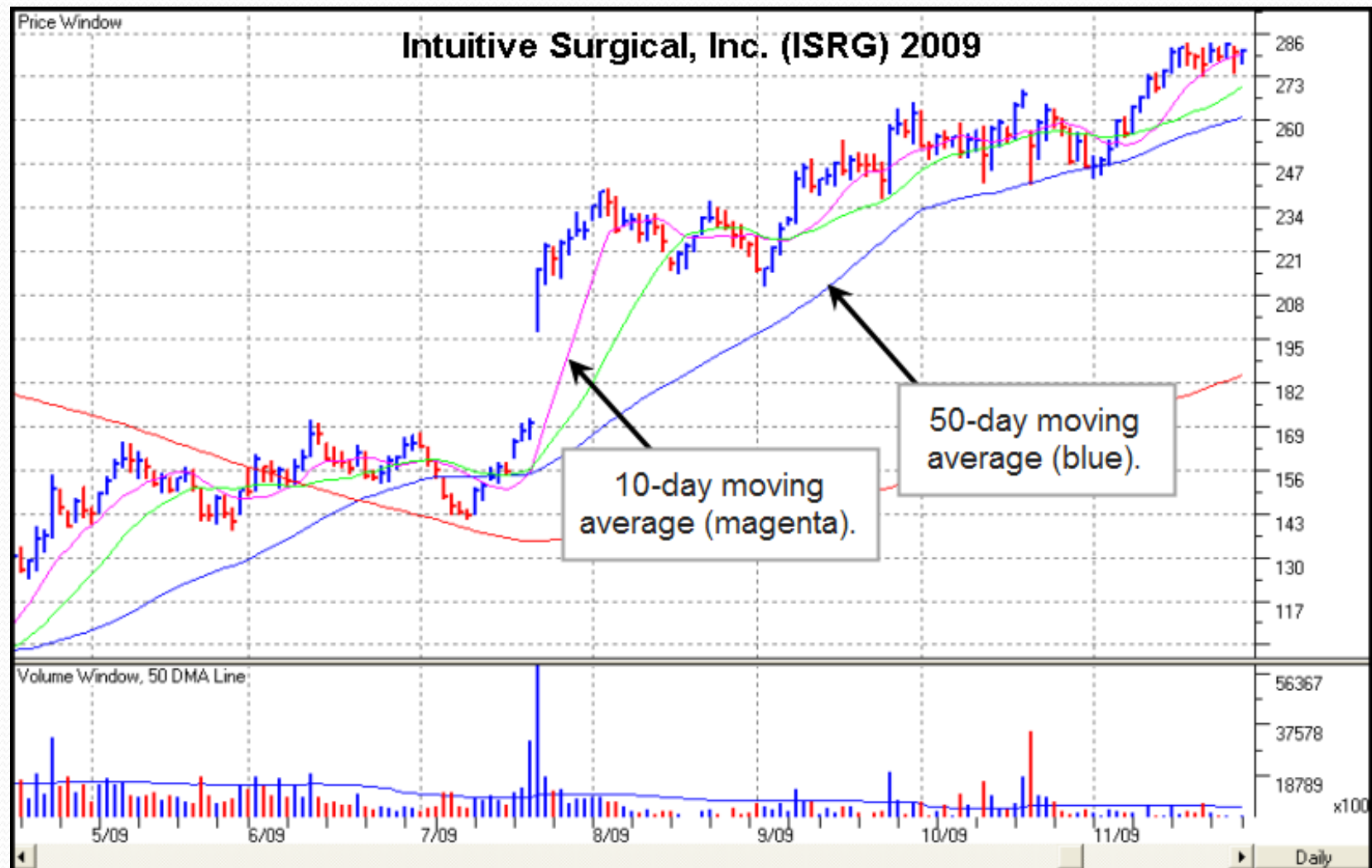
Selling Guides for Buyable Gap-Ups: Use of the 10-day and 50-day moving averages in conjunction with Buyable Gap-Ups is governed by the “Seven-Week Rule.”

- **10-day** = Stocks that have shown a tendency to “obey” or “respect” the 10-day moving average for at least **7 weeks** in an uptrend should often be sold once the stock violates the 10-day line.
- **50-day** = If they don’t show such a tendency to obey the 10-day moving average then it is better to use the 50-day moving average as your guide for selling.
- This rule can help prevent you from selling a stock prematurely if it is simply not its nature to hold the 10-day moving average and it tends to drop below the 10-day line often. Our studies indicate that a stock within an uptrend and which is also shown to obey the 10-day moving average for at least 7 weeks following a buy point (e.g., breakout, pocket pivot, buyable gap-up, etc.) should be sold upon its first violation of the 10-day line. A “violation” is defined as a close below the 10-day moving average followed by a move on the next day below the intraday low of the first day.

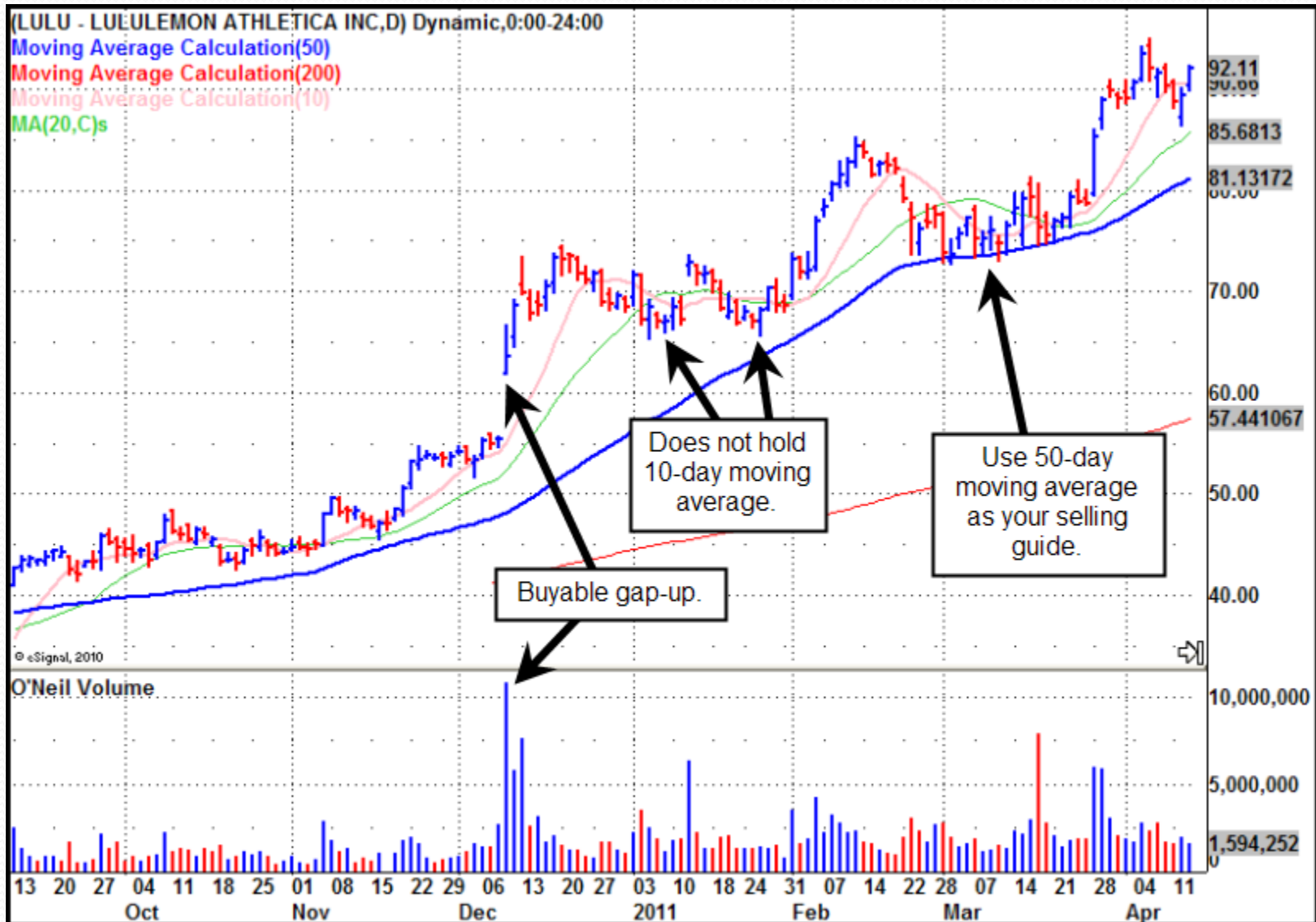
Chipotle Mexican Grill, Inc. (CMG) and the 10-day Moving Average



Intuitive Surgical, Inc. (ISRG) and the 50-day Moving Average



Lululemon Athletica, Inc. (LULU) - December 2010



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Two market pros provide ETF recommendations and actionable stock ideas in real-time sent via email, so you can take immediate action (for both beginning and advanced investors):

- Dr. Chris Kacher used his timing model to help generate a long term return of **+18,241.2% in the stock market** as verified by KPMG <[click here](#)>
- Gil Morales achieved a return of **+10,904.25%** as audited by Rothstein Kass <[verification letter to Gil Morales](#)>
- Dr. Kacher and Gil Morales wrote the book, "[Trade Like An O'Neil Disciple: How We Made 18,000% in the Stock Market](#)"
- 2000-2010 market timing results (NASDAQ Composite): **+741.1%** vs. Buy-and-Hold: **-34.8%**
- 2010 market timing results: **+83.8%** (unaudited results using 3x ETF TYH)
- 2009 market timing results: **+118.3%** (unaudited results using 3x ETF TYH)
- CONSERVATIVE APPROACH using market timing model: June 9, 2009 - June 9, 2010 **+55.1%** with exposure to the market less than half the time as audited by Rothstein Kass <[click here](#)>
- CONSERVATIVE APPROACH: 2008 market timing results: **+38.8%** using no leverage (unaudited results)
- Gil Morales had a tough time shorting in 2009, losing nearly 50%, but he made up for that in May 2010 by nearly doubling his account on the short side. Read how he did it here: [gilmoralesfundperformance](#)





NOW AVAILABLE:

Trade Like an O'Neil Disciple: How We Made Over 18,000% in the Stock Market, published by John Wiley & Sons.

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