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# Identifying Correct BASES and BUY POINTS

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# Objective

- Is this thing under accumulation or not?
- Is there a high probability, high reward to low risk entry point?

# Agenda

- Define list of setup(s)
- Develop a list of technical criteria for those setups
- Develop a list of fundamental criteria for those setups
- Identify the conditions under which those setups work best
- Track the stats of each

## Why this works

- CONFIDENCE
- Odds in your favor
- Eliminating the 'unknown'
- Improves execution

# STEP 1

## Define list of setup(s)

1. High Tight Flag
2. Power Play
3. Rocket Base
4. Pennant
5. Flat Base
6. Cup w/ handle
7. VCP

## STEP 2

### **Develop a list of technical criteria for those setup(s) (Ideal and Bare Minimum)**

1. Trend
2. Length
3. Depth
4. Positioning of Moving Averages
5. Positioning of Stochastics
6. VCP characteristics w/in the base
7. RS climbing
8. Stop loss placement
9. Entry proximity to stop
10. Target

## STEP 3

### **Develop a list of fundamental criteria for those setup(s) (Ideal and Bare Minimum)**

1. Quarterly / annual earnings
2. Quarterly sales
3. Group performance
4. Ownership
5. Leadership

## STEP 4

### **Identify the conditions where the setup works best**

- Uptrend volatile
- Uptrend quiet
- Sideways volatile
- Sideways quiet
- Downtrend volatile
- Downtrend quiet



## STEP 5

### Track the stats of each:

- If you follow the recipe exactly, you'll get the same results
- Variability happens when unique criteria, management, sizing, and beliefs come into play
- Want results closer to who you're modeling? Limit your variables

**Putting it altogether. Real life examples.**