

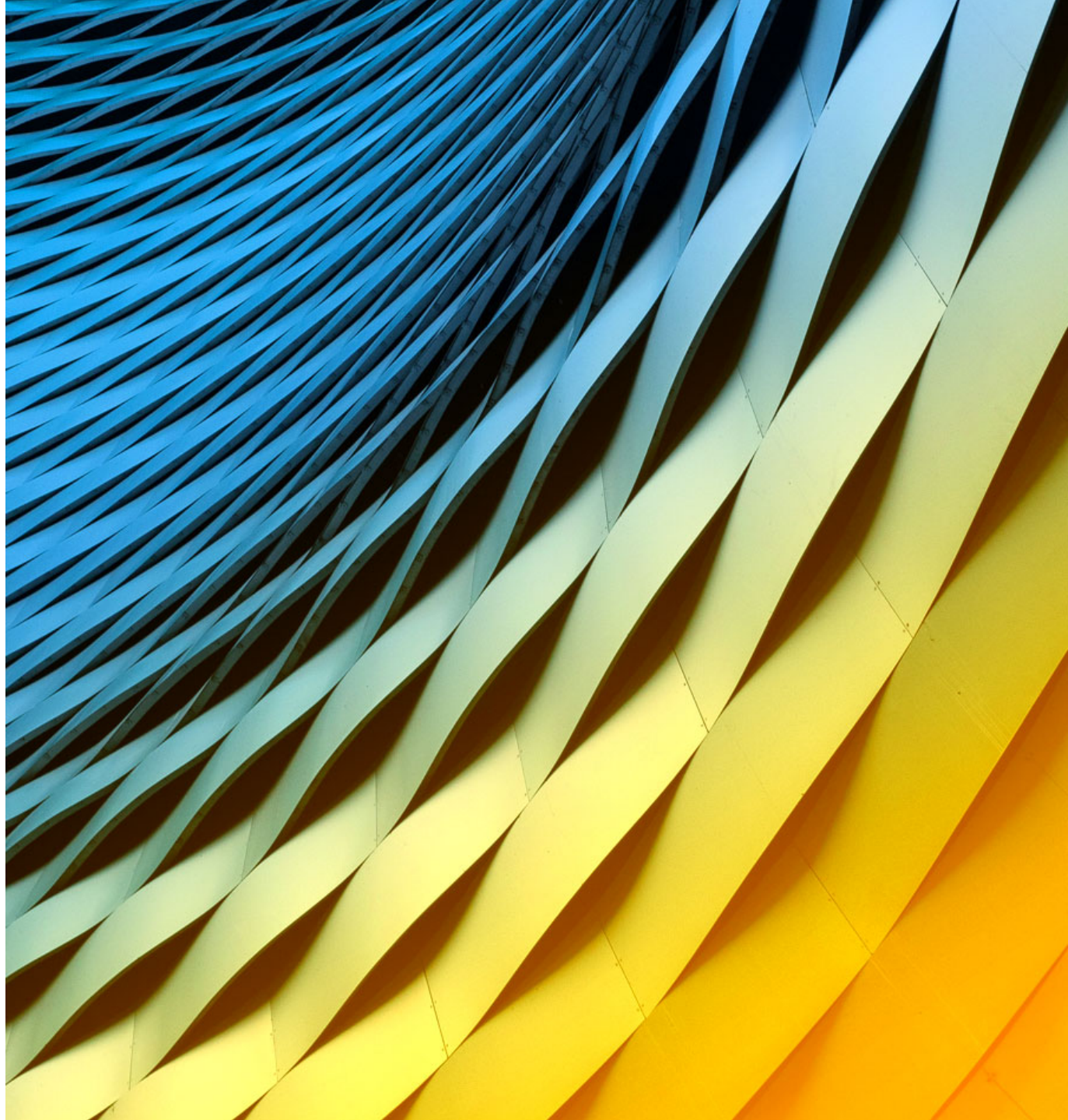
Small Exchange - How to Use Technical Analysis

Frank Kaberna,
The Small Exchange

April 15, 2021



Exchange and Industry Sponsored Webinars are presented by unaffiliated third parties. Interactive Brokers LLC is not responsible for the content of these presentations. You should review the contents of each presentation and make your own judgment as to whether the content is appropriate for you. Interactive Brokers LLC does not provide recommendations or advice. This presentation is not an advertisement or solicitation for new customers. It is intended only as an educational presentation.



Disclosures

Options involve risk and are not suitable for all investors. For information on the uses and risks of options, you can obtain a copy of the Options Clearing Corporation risk disclosure document titled [Characteristics and Risks of Standardized Options](#) by calling (312) 542-6901.

Futures are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading futures, please read the [CFTC Risk Disclosure](#). For a copy visit [interactivebrokers.com](#).

Security futures involve a high degree of risk and are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading security futures, please read the [Security Futures Risk Disclosure Statement](#). For a copy visit [Interactivebrokers.com](#).

There is a substantial risk of loss in foreign exchange trading. The settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades. The interest rate on borrowed funds must be considered when computing the cost of trades across multiple markets.

The Order types available through Interactive Brokers LLC's Trader Workstation are designed to help you limit your loss and/or lock in a profit. Market conditions and other factors may affect execution. In general, orders guarantee a fill or guarantee a price, but not both. In extreme market conditions, an order may either be executed at a different price than anticipated or may not be filled in the marketplace.

There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations.

IRS Circular 230 Notice: These statements are provided for information purposes only, are not intended to constitute tax advice which may be relied upon to avoid penalties under any federal, state, local or other tax statutes or regulations, and do not resolve any tax issues in your favor.

Interactive Brokers LLC is a member of [NYSE FINRA SIPC](#)

Interactive Brokers Group, Inc., the parent company of Interactive Brokers, LLC, is a minority owner of Small Exchange Inc.

How to Use Technical Analysis



Disclosure Time:

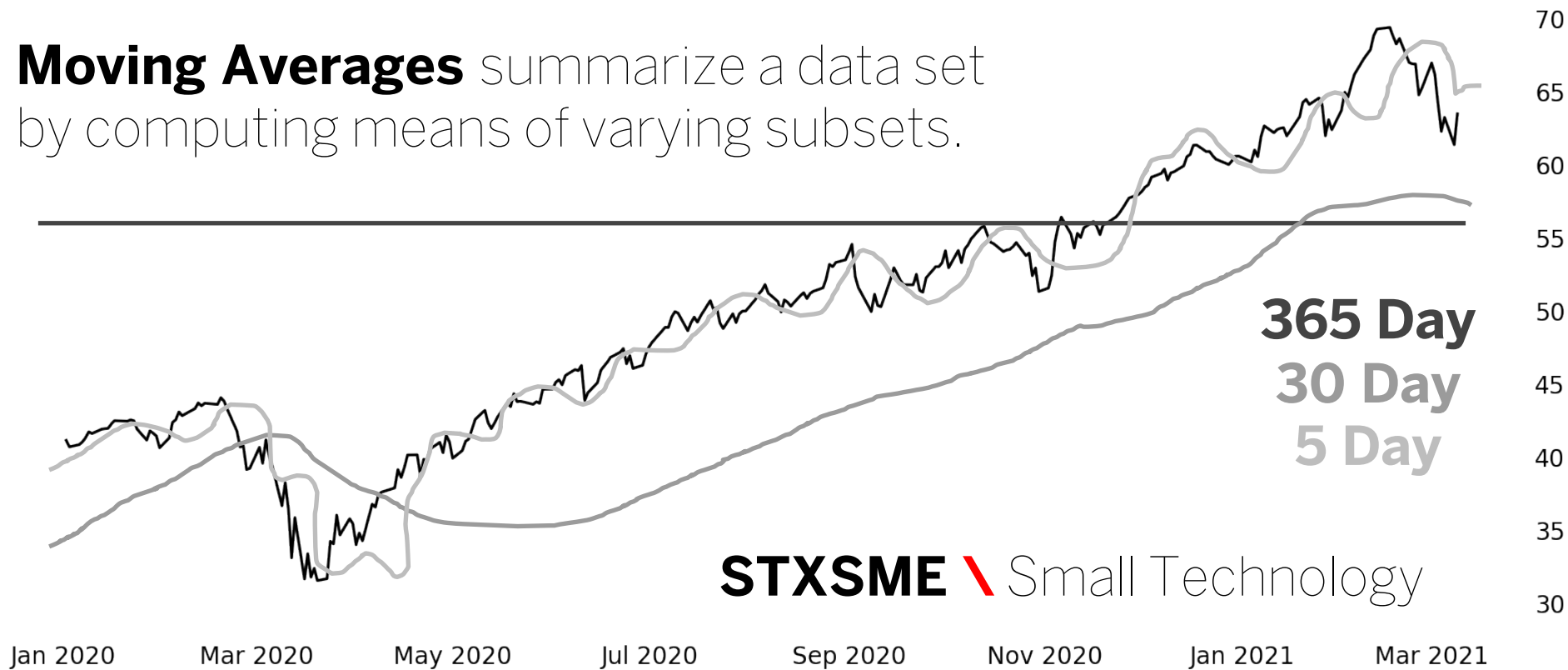
© 2021 Small Exchange, Inc. All rights reserved. Small Exchange, Inc. is a Designated Contract Market registered with the U.S. Commodity Futures Trading Commission. The information in this should be considered general information and not in any case as a recommendation or advice concerning investment decisions. The viewer itself is responsible for the risks associated with an investment decision based on the information stated in this material. The information in this advertisement is current as of the date noted, is for informational purposes only, and does not contend to address the financial objectives, situation, or specific needs of any individual investor. Further, the information presented here is for illustrative purposes only, and is not intended to serve as tax or investment advice since the availability and effectiveness of any strategy is dependent upon your individual facts and circumstances. Results will vary, and no suggestion is made about how any specific solution or strategy is performed in reality. Even though control has been made to ensure that the information above is correct, Small Exchange, Inc. will not undertake any responsibility for it being correct or for the use of the information. Trading in derivatives and other financial instruments involves risk. All trademarks, service marks, trade names, product names and logos appearing herein are the property of their respective owners including, in some instances, Small Exchange, Inc. Any rights not expressly granted herein are reserved.

Technical Analysis is a trading strategy that identifies potential opportunities relative to statistics around price action and volume.



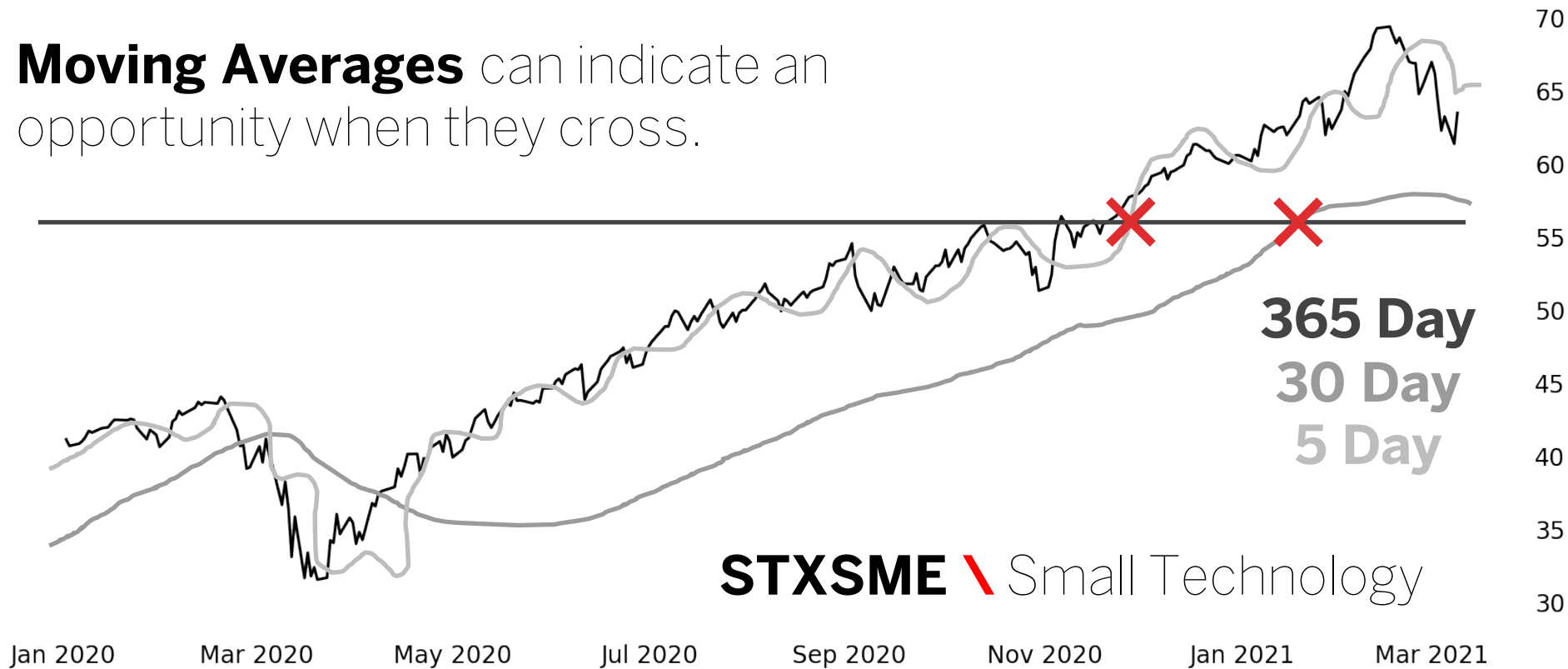
STXSME \ Small Technology

Moving Averages summarize a data set by computing means of varying subsets.



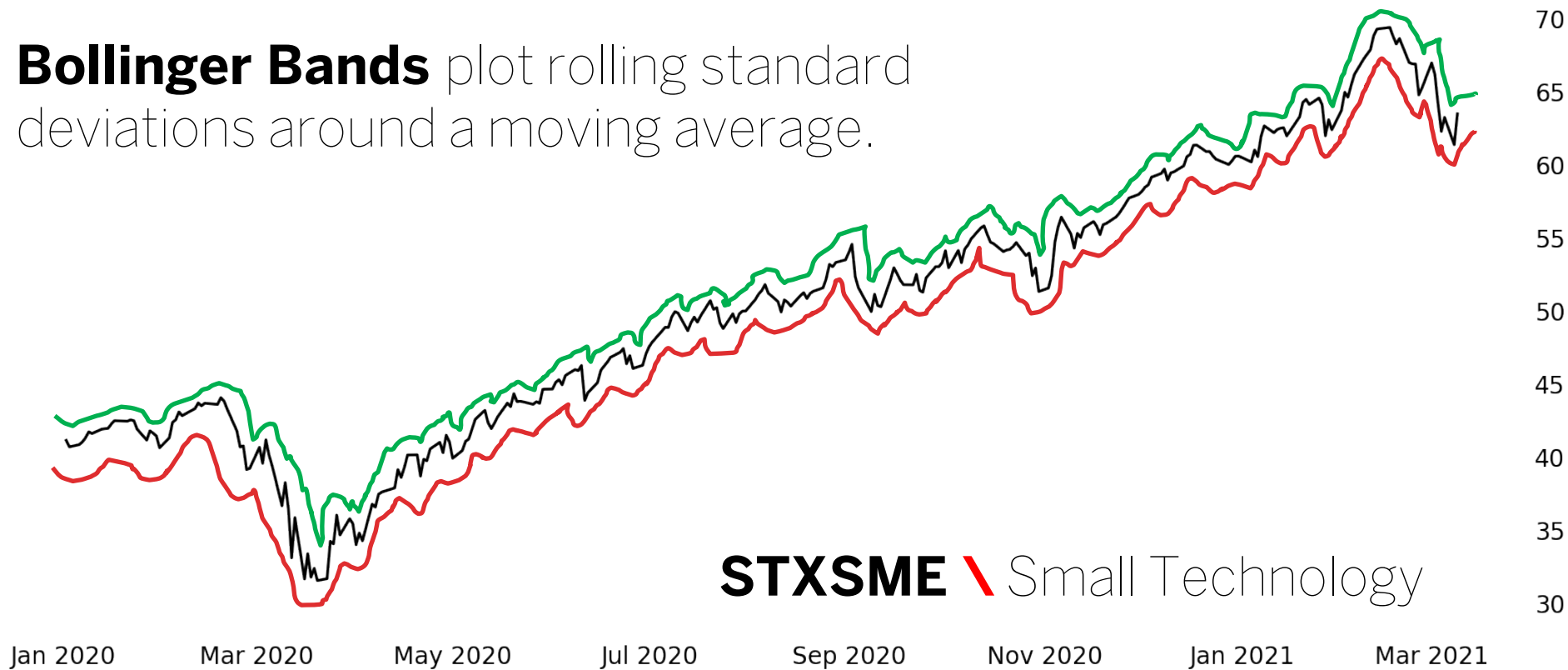
STXSME \ Small Technology

Moving Averages can indicate an opportunity when they cross.



STXSME \ Small Technology

Bollinger Bands plot rolling standard deviations around a moving average.

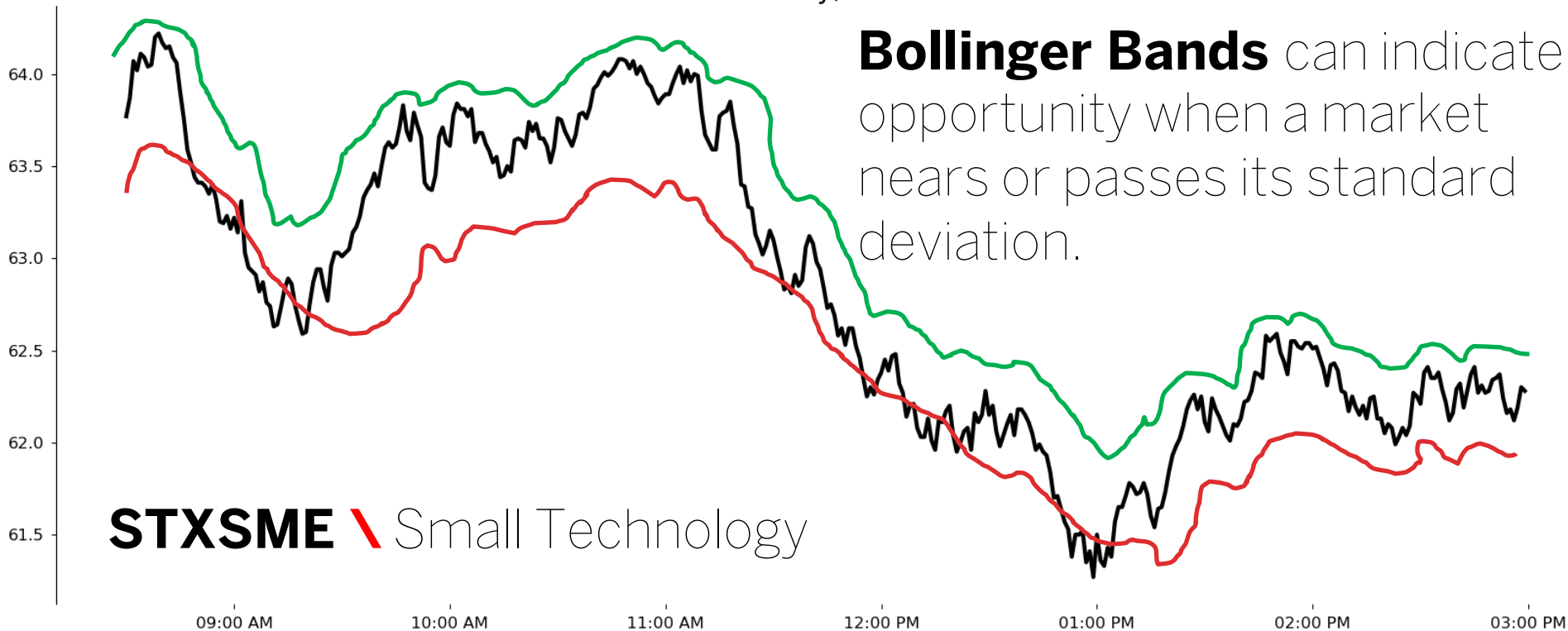


STXSME \ Small Technology

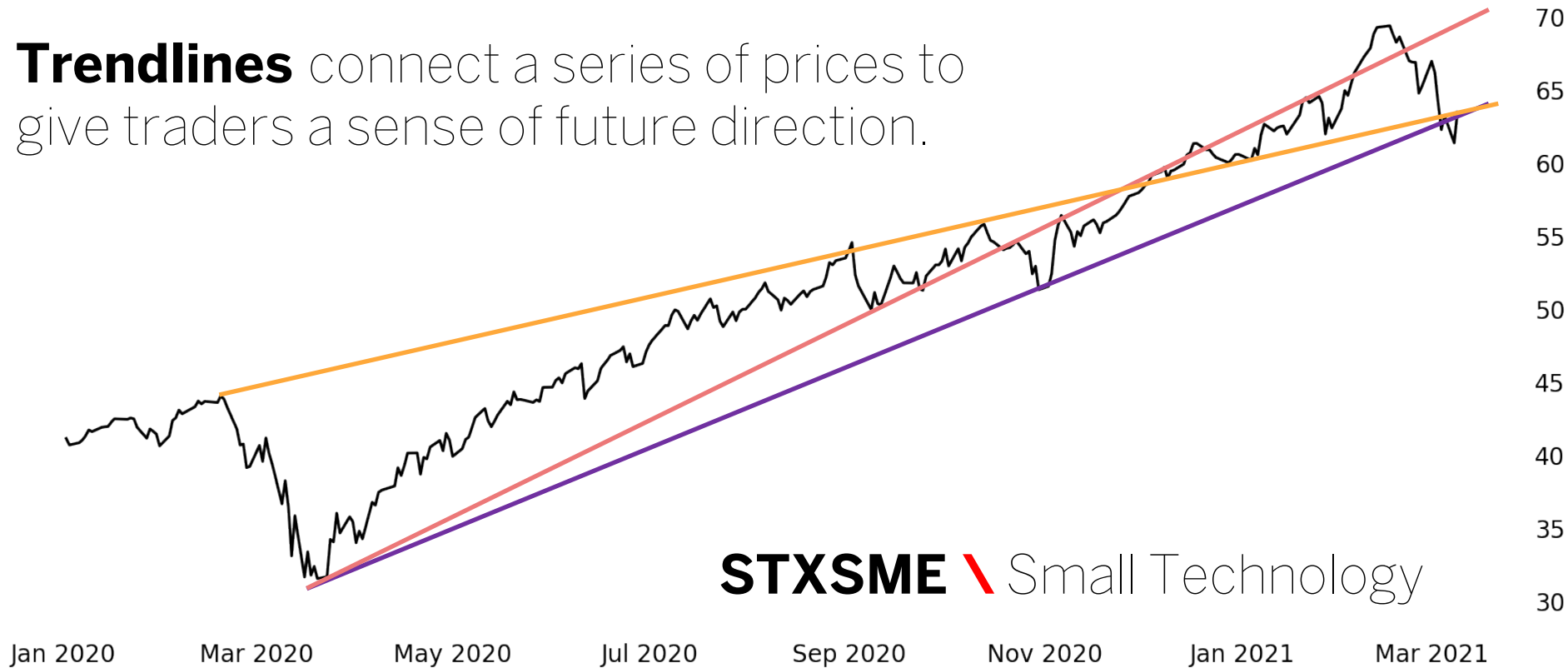
Thursday, Mar 04

Bollinger Bands can indicate opportunity when a market nears or passes its standard deviation.

STXSME \ Small Technology

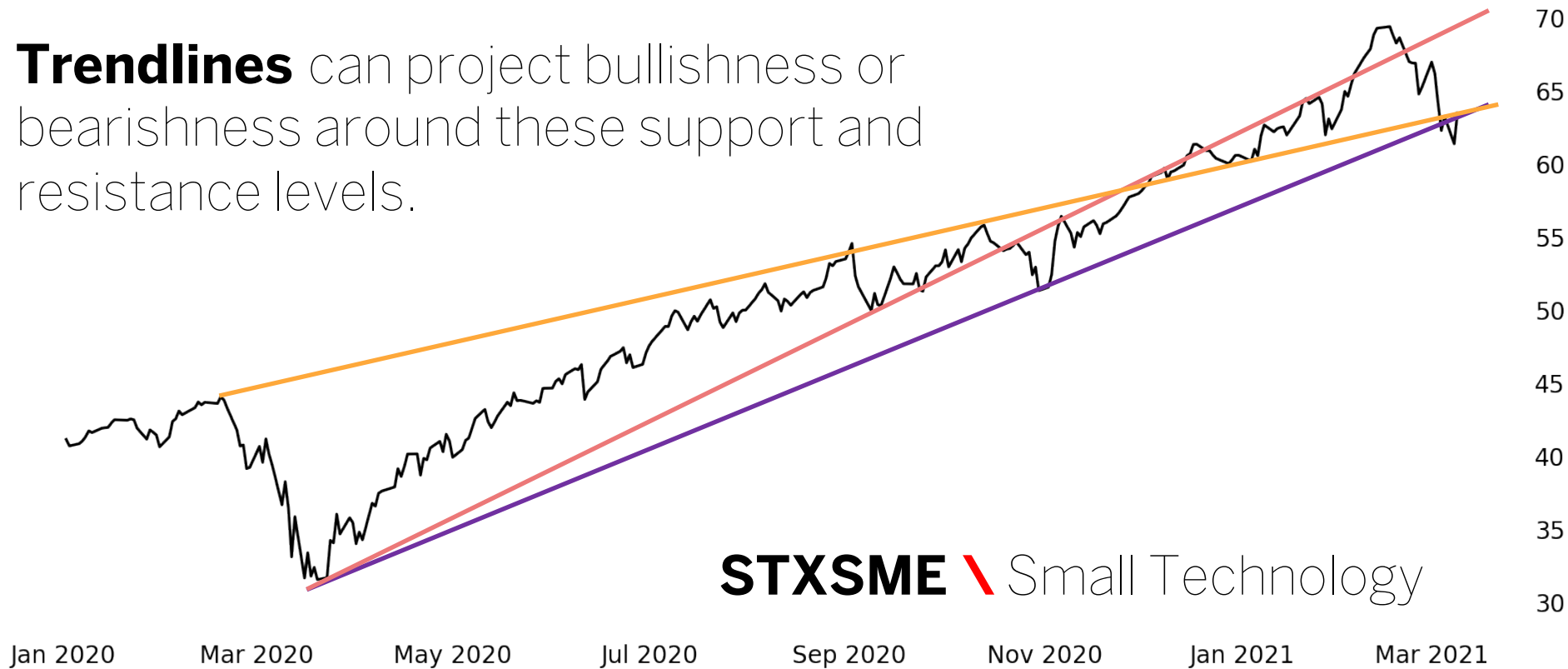


Trendlines connect a series of prices to give traders a sense of future direction.



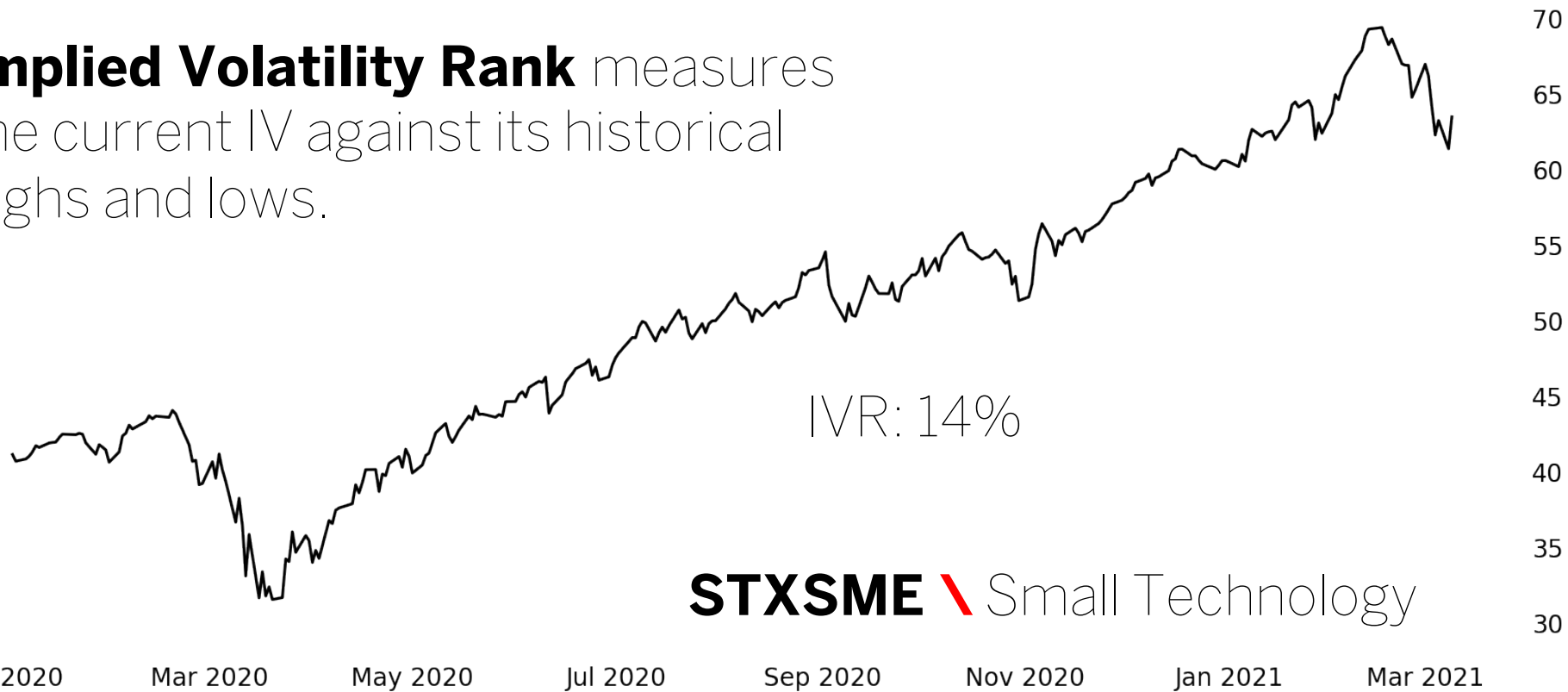
STXSME \ Small Technology

Trendlines can project bullishness or bearishness around these support and resistance levels.



STXSME \ Small Technology

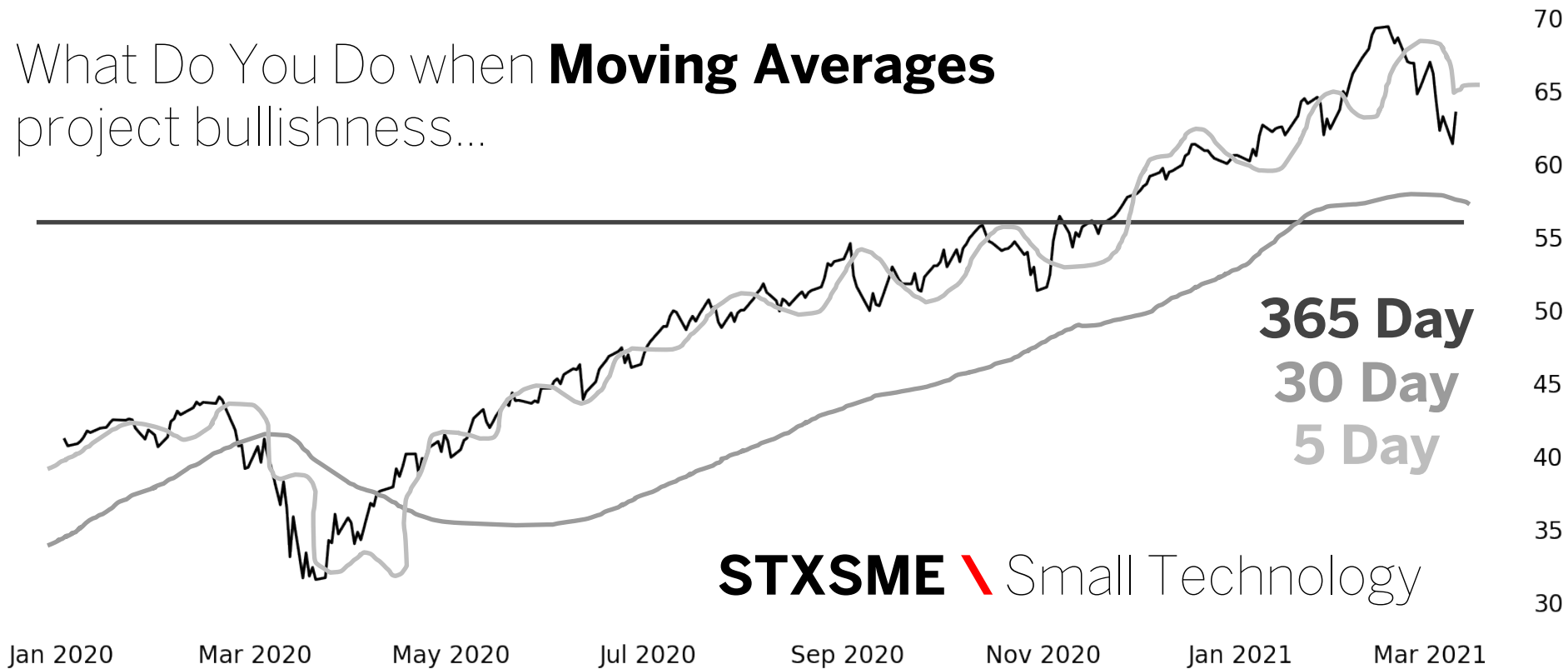
Implied Volatility Rank measures the current IV against its historical highs and lows.



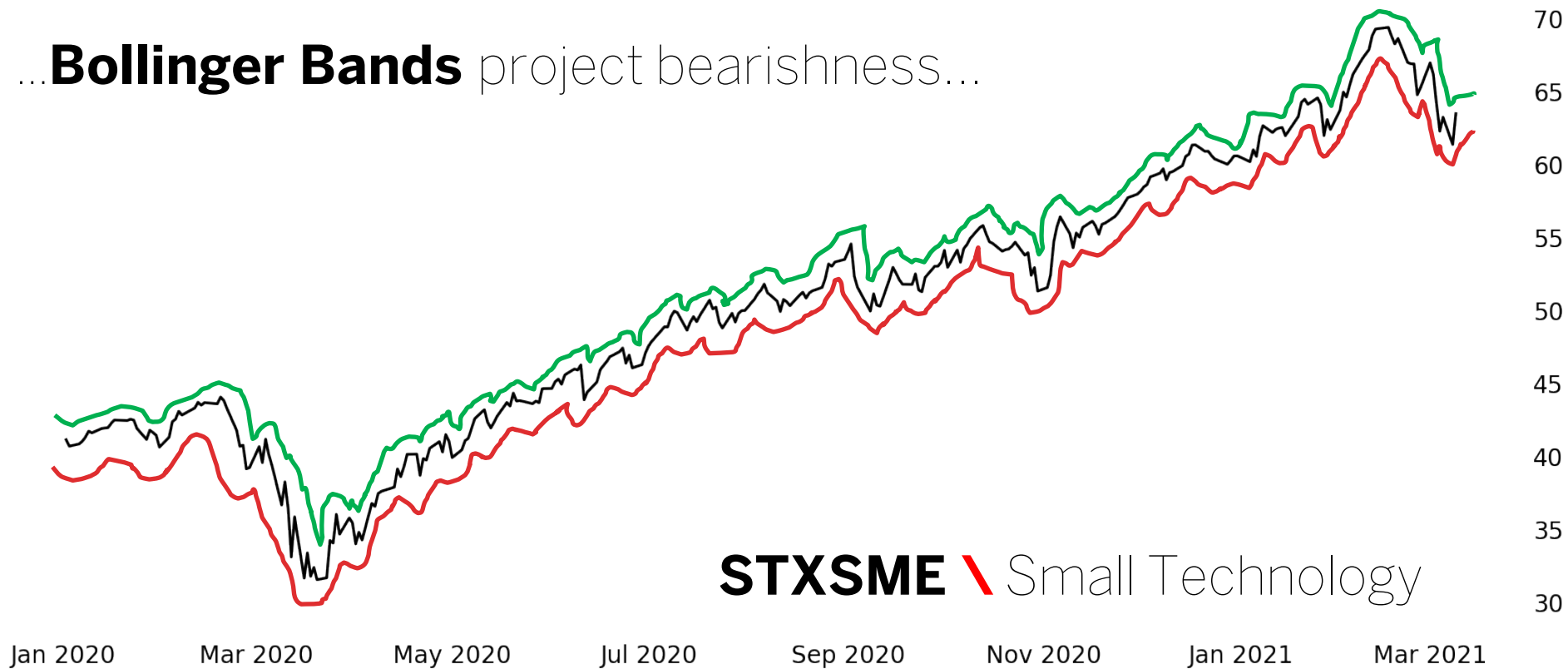
Implied Volatility Rank can help traders decide between long and short option strategies.



What Do You Do when **Moving Averages**
project bullishness...

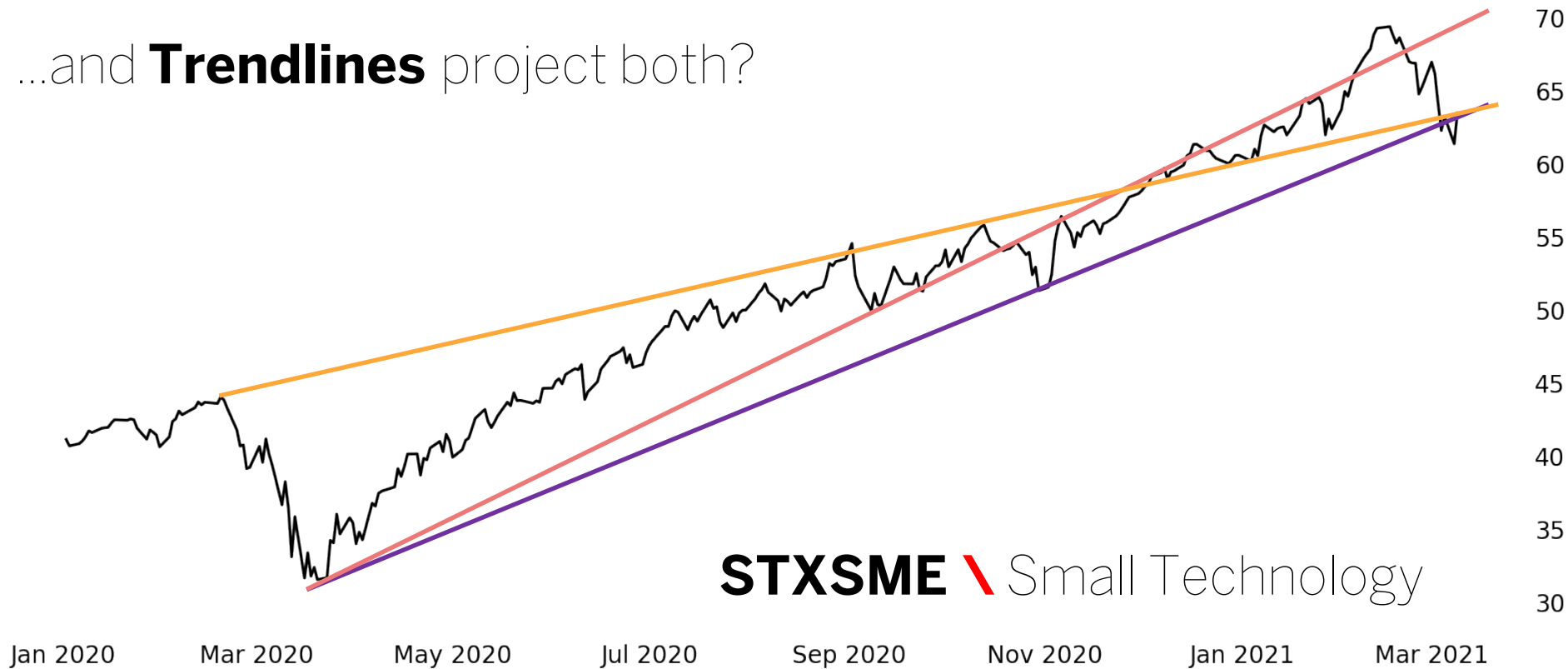


...**Bollinger Bands** project bearishness...



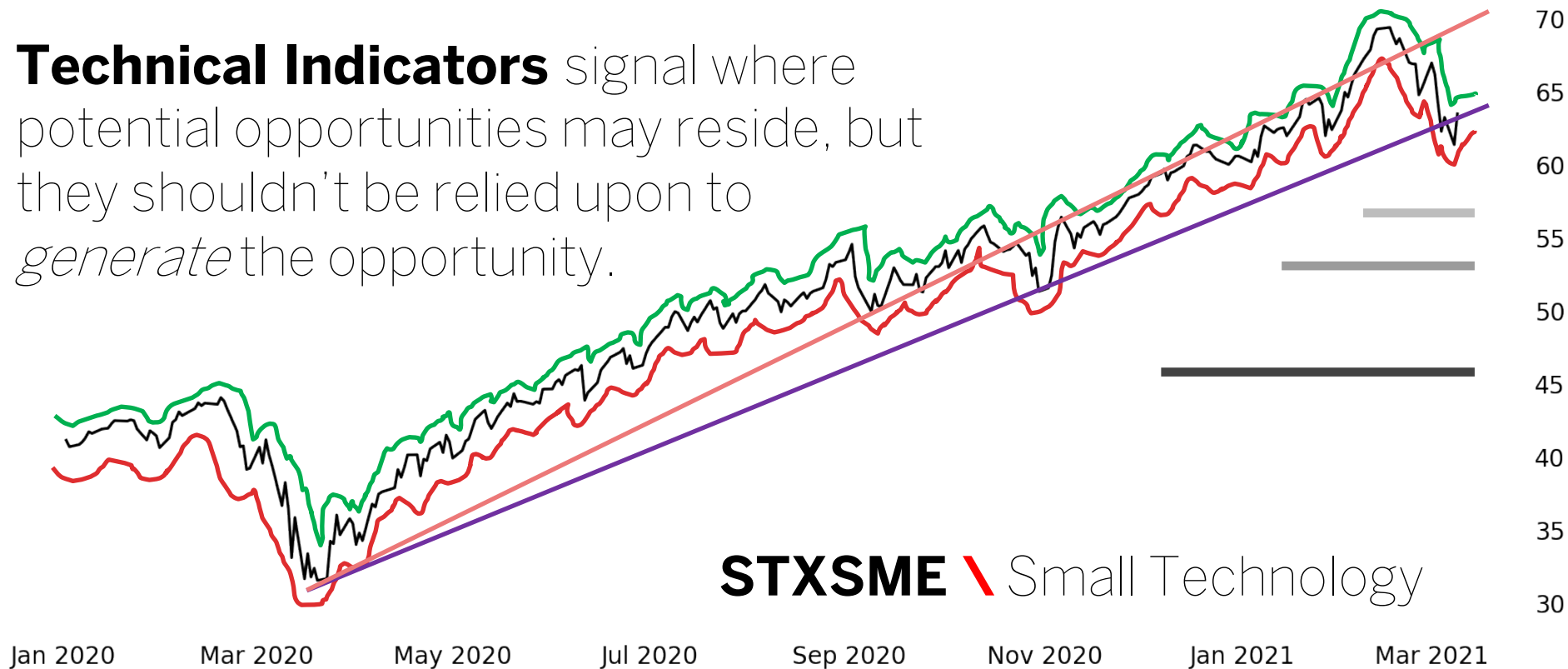
STXSME \ Small Technology

...and **Trendlines** project both?



STXSME \ Small Technology

Technical Indicators signal where potential opportunities may reside, but they shouldn't be relied upon to *generate* the opportunity.



STXSME \ Small Technology

Thursday, Mar 04

Choose what indicator best fits your trading style.

STXSME \ Small Technology



Thursday, Mar 04

Use that indicator to signal potential opportunity.

STXSME \ Small Technology



Thursday, Mar 04

Trade what you want.



STXSME \ Small Technology

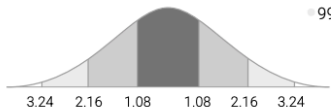
A Day in the Life

Probability of daily net change inside these ranges

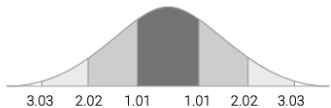
- 68%
- 95%
- 99%

SM75

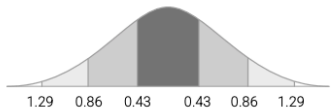
Small Stocks 75

**STIX**

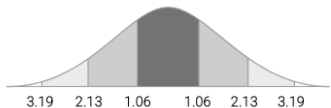
Small Technology 60

**S10Y**

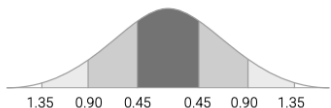
Small Treasury Yield

**SPRE**

Small Precious Metals

**SFX**

Small US Dollar



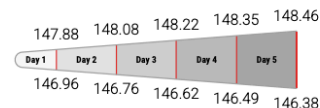
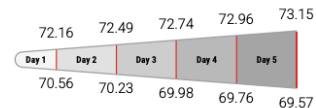
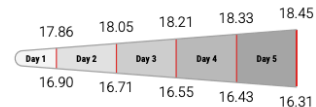
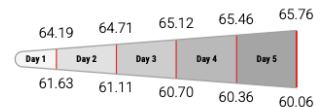
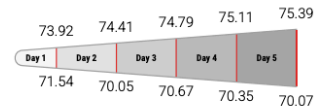
The Dollar+ Index

How often the Smalls witness outliers outside a dollar (1.00)

42%**27%****5%****30%****0%**

5-Day Forecast

Projected highs and lows for the next 5 days (via realized volatility)



*All statistics measure the last three months of data unless otherwise stated.

© 2021 Small Exchange, Inc. All rights reserved. Small Exchange, Inc. is a Designated Contract Market registered with the U.S. Commodity Futures Trading Commission. The information in this advertisement is current as of the date noted, is for informational purposes only, and does not contend to address the financial objectives, situation, or specific needs of any individual investor. Trading futures involves the risk of loss, including the possibility of loss greater than your initial investment.

Thursday, Mar 04

Technical Indicators

simply let you know when
opportunity is afoot.



STXSME \ Small Technology

Source: dxFeed Index Services (<https://indexit.dxfed.com>) times in CT

Thursday, Mar 04

Traders must decide where
to enter in what direction.

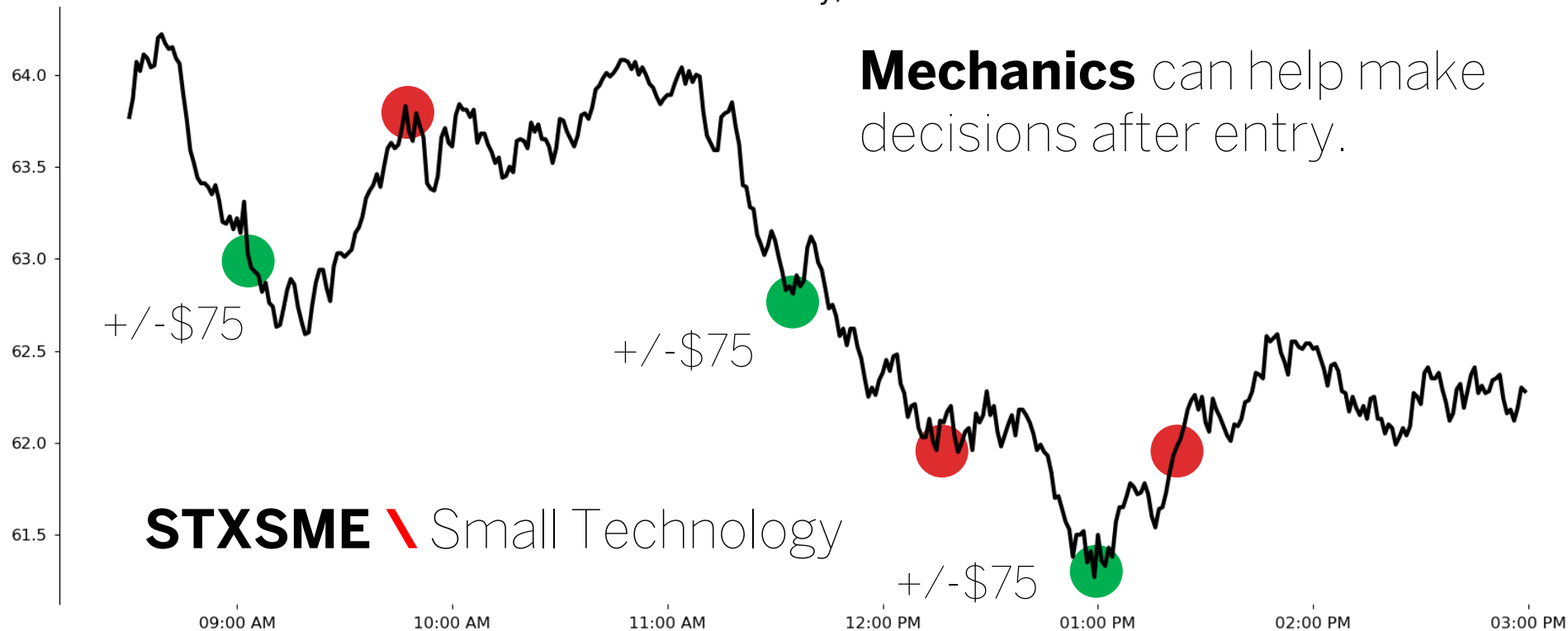


STXSME \ Small Technology

Source: dxFeed Index Services (<https://indexit.dxfeed.com>) times in CT

Thursday, Mar 04

Mechanics can help make
decisions after entry.

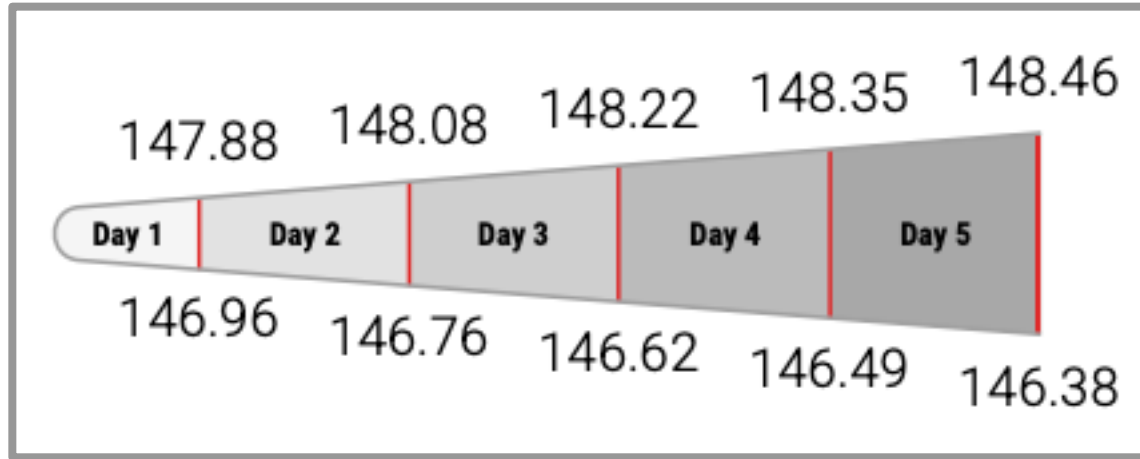


STXSME \ Small Technology

For Another Example,

Small USD (FXSME) futures traded as low as 146.15 on Thursday (4/8) before bouncing back to 146.75 on Friday (4/9) and closing the week well inside its projected range.

FXSME \ Small US Dollar



* Values taken on 4/5/21 via Realized Volatility.

Margin for the Smalls*

75SME	PRESME	FXSME	STXSME	10YSME
\$627	\$517	\$182	\$550	\$220

* OCC initial margin values taken on 4/9/21.

The Smalls let you try out technical analysis strategies without overextending your account or feeling uncomfortable.



Ready to join us?

A one-time payment of \$100 gets you...

- Lifetime subscription
- 50% discounted exchange fees
- Reduced market data fees

visit subscribers.thesmallexchange.com

Save on Your Trading!

Join the Small Exchange now and
enjoy a lifetime of reduced
Exchange Transaction Fees.

subscribers.themallexchange.com



50% OFF

Exchange Transaction Fees
On All Small Futures

EXPIRES: **NEVER**



Stocks



Bonds



Metals



FX

Copyright © 2021 Small Exchange, Inc. All rights reserved. Small Exchange, Inc. is a Designated Contract Market registered with the U.S. Commodity Futures Trading Commission. A complete list of our fees can be found at:
<https://smallexchange.com/market-info-page#FeeSchedule>