Certified Financial Technician (CFTe) I & II Syllabus & Reading Material
(last updated: 5 August 2020)

CFTe Level I
Reading Material

CORE READING MATERIAL:

I. Edwards, Robert D. and Magee, John, ***Technical Analysis of Stock Trends, 9th (or current) Edition*** (2001-2008), John Magee Inc., Chicago Illinois ©2001, ISBN 1-57444-292-9

Chapters:

1. The Technical Approach to Trading and Investing
2. Charts
3. The Dow Theory
4. The Dow Theory in Practice
5. The Dow Theory's Defects
6. Important Reversal Patterns
7. Important Reversal Patterns – Continued
8. Important Reversal Patterns – The Triangles
9. Important Reversal Patterns – Continued
10. Other Reversal Phenomena
11. Consolidation Formations
12. Gaps
13. Support and Resistance
14. Trendlines and Channels
15. Major Trendlines
16. Technical Analysis of Commodity Charts
17. A Summary of Some Concluding Comments
    17.2 Advancements in Investment Technology
18. The Tactical Problem
    18.1 Strategies and Tactics for the Long-Term Investor
20. The Kind of Stocks we Want: The Speculator's View Point
    20.1 The Kind of Stocks we Want: The Long-Term Investor's View Point
23. Choosing and Managing High-Risk Stocks: Tulip Stocks, Internet Sector and Speculative Frenzies
24. The Probable Moves of Your Stocks
25. Two Touchy Questions
27. Stop Orders
28. What is a Bottom - What is a Top?
29. Trendlines in Action
30. Use of Support and Resistance

CFTe Level I (Continued)
Reading Material

33. Tactical Review of Chart Action
34. A Quick Summation of Tactical Methods
36. Automated Trendlines: The Moving Average
38. Balanced and Diversified
39. Trial and Error
40. How Much Capital to Use in Trading
41. Application of Capital in Practice
42. Portfolio Risk Management
43. Stick to Your Guns

II. Murphy, John J.: ***Technical Analysis of the Financial Markets,*** New York Institute of Finance, New York, NY, ©1999, ISBN 0-7352-0066-1

Chapters:

1. Philosophy of Technical Analysis
2. Dow Theory
3. Chart Construction
4. Basic Concepts of Trend
7. Volume and Open Interest
14. Time Cycles

III. Pring, Martin J.: ***Technical Analysis Explained, 4th (or current) Edition***, McGraw Hill Book Company, New York, NY, ©2001, ISBN 0-07-138193-7

Chapters:

2. Financial Markets and the Business Cycle
4. Typical Parameters for Intermediate Trends
12. Individual Momentum Indicators II
16. The Concept of Relative Strength
18. Price: The Major Averages
20. Time: Longer-Term Cycles
22. General Principles
26. Sentiment Indicators

CFTe Level I (Continued)
Reading Material

IV. *Le Beau Charles, Lucas David**: Technical Traders Guide to Computer Analysis of the Futures Market***

Chapters:

1. System Building
2. Technical Studies
4. Day Trading

V. *Nison Steve: **Candlestick Charting Techniques**, Second Edition*

Chapters:

1. Introduction
2. A historical background
3. Constructing the candlestick lines
4. Reversal patterns
5. Stars
6. More Reversal Patterns
7. Continuation Patterns
8. The Magic Doji
9. Putting it all Together

VI. Du Plessis Jeremy: ***The Definitive Guide to Point and Figure***

Chapters:

1. Introduction to Point and Figure Charts
2. Characteristics and Construction
3. Understanding Point and Figure Charts
4. Projecting Price Targets
5. Analysing Point and Figure Charts

International Federation of Technical Analysts

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CFTe Level I (Continued)
Reading Material

Required additional IFTA reading material (see Appendices):

1. Elliott Wave Theory (Appendix A–Provided when candidate registers for CFTe I.)
2. Breadth Indicators (Appendix B– Provided when candidate registers for CFTe I.)
3. Time Cycles Analysis (Appendix C– Provided when candidate registers for CFTe I.):
   Note: The questions on the exam for this topic will be pulled from Murphy, John J. recommended reading listed above.
4. Point and Figure Techniques (Appendix D– Provided when candidate registers for CFTe I.)

RECOMMEDED (ADDITIONAL) READING:

VII: Elder, Alexander Dr.: ***Trading for a Living, Psychology, Trading Tactics, Money Management***

Chapters:

1. Individual Psychology
2. Mass Psychology
3. Classical Chart Analysis
4. Computerized Technical Analysis
5. The Neglected Essentials
6. Stock Market Indicators
7. Psychological Indicators
10. Risk Management

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CFTe Level II
Reading Material

Core Readings

I. *Edwards, Robert and Magee, John*, **Technical Analysis of Stock Trends,** *9th Edition*

II. *Martin J. Pring:* ***Technical Analysis Explained***

Chapters:

1. The Market Cycle model
2. Financial Markets and the Business Cycle
16. The concept of Relative Strength
18. Price: The Major Averages
19 Price: Group Rotation
20. Time: Longer-Term Cycles

III. Le Beau Charles, Lucas David: ***Technical Traders Guide to Computer Analysis of the Futures Market***

Chapters:

1. System Building
2. Technical Studies
4. Day Trading

IV. Steve Nison***: Beyond Candlesticks: New Japanese Charting Techniques Revealed*** **(Wiley Finance, Nov 10, 1994)**

Chapters:

2. The Basics
3. Patterns
4. Candles and the Overall Technical Picture
5. How the Japanese use Moving Averages
6. Three-Line Break Charts
7. Renko Charts
8. Kagi Charts

CFTe Level II (Continued)
Reading Material

V. Jeremy Du Plessis: ***The Definitive Guide to Point and Figure***

Chapters:

1. Introduction to Point and Figure Charts
2. Characteristics and Construction
3. Understanding Point and Figure Charts
4. Projecting Price Targets
5. Analysing Point and Figure Charts

VI. Yukitoshi Higashino, MFTA: ***Primer on ICHIMOKU (Appendix E)***

VII. *J. Peter Steidlmayer and Steven B. Hawkins:* ***SteidlMayer On Markets. Trading with Market Profile. Second Editon***

Chapters:

6. Understanding Market Profile
7. Liquidity Data Bank, On Floor information, and Volume @ Time
8. The Steidlmayer Theory of Markets
9. The Steidlmayer Distribution
10. The You
11. Anatomy of a trade
12. Profile of a Successful Trader
13. Trading, Technology, and the Future

VIII. *A.J. Frost, Robert R. Prechter***: Elliott Wave Principle: Key To Market Behavior**

Chapters:

1. The Broad Concept
2. Guidelines of the Wave Formation
3. Historical and Mathematical Background of the Wave Principle
4. Ratio Analysis and Fibonacci Time Sequence.

CFTe Level II (Continued)
Reading Material

IX. Charles D. Kirkpatrick, Julie R. Dahlquist: ***Technical Analysis: The Complete Resource for Financial Markets Technicians***

Chapters:

3. History of Technical Analysis
4. The Technical Analysis Controversy
5. An overview of Markets
7. Sentiment
8. Measuring Market Strength
9. Temporal Patterns and Cycles
10. Flow of Funds
13. Breakouts, Stops, and Retracements
18. Confirmation
19. Cycles
21. Selection of Markets and Issues: Trading and Investing
22. System Testing and Management

X. Constance M. Brown: ***Technical Analysis for the Trading Professional***, Second Edition (Added 7 March 2019; This material will be covered beginning in October 2019.

Chapters:

1. Oscillators Do Not Travel Between 0 and 100
   This chapter introduced range rules for RSI. The ability to define a trend based on the displacement of the oscillator was a very new concept for the use of oscillators. In bull markets a 14-period RSI will track 40 to 80+. In bear markets and the transition into a bear market, the oscillator travels from 68 to 30 or lower.
2. Dominant Trading Cycles Are Not Time Symmetrical
   Rhythmical fluctuations can be more than just a fixed interval. This chapter will introduce cycle historians Samuel Benner and Edward Dewey showing an extension of their work into modern times.
10. Using Oscillators with the Elliott Wave Principle
    The chapter over the years has had the most feed-back. Readers have stated they did not 'get it' until reading this real-time walk-through of how to develop Elliott Wave interpretations as a market evolves over a time interval. It also shows the reader the steps that follow after the wave scenario has been lost and how to resync with a market.
12. The Composite Index

RSI is the most widely used oscillator according to an industry survey from the magazine '*Technical Analysis Stocks and Commodities*'. It has a fatal flaw. RSI will fail to diverge before a major trend reversal. The Composite Index is a formula that teaches the reader that one can embed the momentum formula inside of an RSI and solve this problem. The chapter explains the solution and how it is used with RSI to avoid this very common and costly indicator problem.

RECOMMEDED (ADDITIONAL) READING:

X. David Linton: *Cloud Charts: Trading Success with the Ichimoku Technique* [Hardcover]

Chapters:

8 . Cloud Chart Construction
9. Interpreting Cloud Charts
10. Multiple Time Frame Analysis
11. Japanese Patterns Techniques
12. Clouds Charts with other techniques
13. Ichimoku indicator techniques
14. Back-testing and Cloud Trading Strategies
15. Cloud Market Breadth analysis
16. Conclusion