**Pete Carmasino**

When you change the way you look at things, the things you look at change. And that's what Pete wants to talk about: spotting the “tactical turning point” of a stock, with precision. And that's something that comes from years of looking at charts.

Pete works with Marc Chaikin, founder of Chaikin Analytics. And if you don't know about Chaikin Analytics, it has a Power Rating system that rates over 5000 stocks. It uses 20 factors and most of those are fundamentals, with some technicals.

Pete’s mantra is “fundamentals tell you what to look at. But technicals tell you when.” Technicals are your really your key to success. When you have found that company that's bullish, that's got the fundamentals that you like, you may buy at the wrong time. You're creating suffering, it's emotional, it's baggage, it's hard to do. It's hard not to start hoping for things to change.

But when you change the way you see a chart, if you're using a Chaikin chart, it’s much easier.

Pete has been in the finance business for over 30 years. But his background was in the RIA business as a financial advisor. So he cut my teeth on Main Street, serving folks interested in stock investing. And back in the day, he and Marc were both stock brokers and became advisors along the way, somewhere. But that sharpened Pete’s skills until the institutional world of Wall Street called to him. He wanted to serve ultra high net worth, and also institutions and hedge funds in general. And he rose up in the ranks in this firm until he a district manager.

The institutional world recruited Pete into an elite group of what they call traders or sales traders, but they were also wealth advisors. They were called the special accounts group. They had access to investment bankers, and all the executive services. And that meant anytime a company went public, someone like Pete or other partners in his firm helped invest the resulting capital.

It was tough to pitch to the other traders. They were brutal. And that led Pete to the “tactical turning point.”

Pete met Marc Chaikin and learned about the power gauge. And it changed Pete’s outlook.

It included everything that I was hearing from these hedge funds because the **analysts** were typically fundamentally driven, and they wouldn't hear anything about technicals. All the **traders** of those funds love technicals and they understood it.

Marc said he came across the exact same thing. And the institutions were all looking at the same thing, price to sales, debt to equity, everything that's in the power gauge. And importantly, he told Pete that the power gauge in his system has a price analysis embedded inside, too.

The two connected instantaneously, because they were speaking the same language. It was like a long lost friend that neither knew existed.

They built a new mission to deliver knowledge to those folks who really have never had access to this method before. They’ve **heard** of technical analysis. But the idea was to get into the hands of the people who really need it most. And that's why we're all here today.

The chart will tell you what's happening. the chart tells a story. Pete shows the audience a mystery chart. The stock more than doubled already this year. It's not AI. And on it, an arrow points at what looks like a random spot near the 2023 low. There's not a lot of information going on this chart. But it makes a directional pivot.

You can tell when you compare it to the S&P. If it’s either sideways or moving higher as the s&p falls, it is going to have a positive relative strength. (Relative to the S&P’s performance.) When that first starts happening, Pete calls it a relative strength change. He used to call it a personality change. Because the stock is changing its personalities. Something's going on… People are buying. Large purchases, institutions, hedge funds, those types of people are coming in and moving the market. For whatever reason. Pete said in the beginning, fundamentals tell you what, technicals tell you when. there's another part of that: “Why?”

Well, the why will reveal itself in time. Take Boeing for instance. Boeing turned negative first week of September. Nobody's saying anything about it. It’s continuing to break down. All of a sudden the news came in are having trouble with the 737 Airlines. That's the Why. Petedidn’t know that when it peaked but nor did he care. Its relative strength broke down, so it was a “sell.” No questions asked. So at Chaiken analytics, we use this proprietary method to identify that change. And It's really a point where there's less selling pressure. There's no resistance at this point. Typically, not all the time, but typically.

Pete reveals the chart. It’s General Electric (GE). Of all names…

Using power gauge you can see the tactical turning point based on relative strength. Down at the bottom of the screen the power gauge went from bearish to neutral. The power is upgrading, and the tactical turning points changing at the same time. You have a momentum move in the fundamentals and the technicals. Now it wasn't flagged as bullish, it got bullish later, but look what happened. Three in a row earnings reports better than expected. So three earnings reports in a row are better than expected. Were people anticipating this would happen at the moment of the tactical turning point? Yes!

Pete thinks this would have helped plenty of people in the institutional world had they applied it. When these signals to go negative, it would be time to shave those positions. Let it help you as well.

He shows another chart from back in 2020. We all remember this, they're locked down, things are changing rapidly, the stock plummets and then moves higher like a lot of stocks do. And who would have thought that Wayfair (W) would have moved 300% in six months. In retrospect it seems obvious. We were home. Buying things online and getting a little anxious about things going on. Wayfair broke out, up 300% after a tactical turning point. Google, also known as Alphabet (GOOG), did the same thing, soaring 90% following a tactical turning point in late 2020.

Another name is CF Industries (CF) … this stock came up on Pete’s radar in 2019. And he wasn’t sure what was happening...

Fundamentally, it was bearish heading to neutral. But then a tactical turning point occurred. This signal preceded multiple earnings beats in a row. You think there was some momentum when the signal appeared? You think the technicals were there? They were. And that is why you want to pay attention to this signal.

Nvidia. This one Pete still wonders about. His question is why wasn’t Wall Street worried about this name upgrading at $150 or $175? Why did it have to go $400 and then $600 target prices started?

Regardless he knows when it started thanks to the tactical turning point – around $150. That's this year, up 200%

Broadcom, same thing in 2022…

Meta platforms in 2023. Again, 141%. you see the pattern.

Pete edits Chaikin power tactics that is offered through Chaiken analytics. He’s the editor. There are many names he doesn’t have enough time to write up a stock. So he created a watchlist video that we send out once a week aptly named Pete’s Watchlist. So he goes over exactly what's going on in the market. He typically covers three names every month.

These aren't recommendations, but these are names that are potentially setting up. Some did extremely well…

He does a quick overview of each stock. He sticks to the technicals and looks at the power gauge.

One such stock is Pentair (PNR). Pete explains some of the ways he used the power gauge to find a recent breakout in this stock.

Warren Buffett said its far better to buy a wonderful company at a fair price than a fair company at a wonderful price. Pete is not challenging him but says this: sometimes fundamentally good stocks go down. And fundamentally bad stocks go up…

There's either anticipation of better earnings on the bad fundamental ones, or the opposite for the good. It happens all the time.

Buffett is missing one thing: timing. Because he can afford to wait. We can't afford it. So we call that bottom fishing. Marc dubbed it the most expensive sport in America.

Price is something we follow of course, but we need a technical indicator to tell us when to get in and frankly when to get out.

Pete then plays a game with three stocks: fertilizer company CF Industries (CF), coal company Alliance Resource Partners (ARLP) and insurer W.R. Berkley (WRB). All three names are showing a tactical turning point. Pete shows that although you could have traded each of these stocks early for a similar price to today, you would have had dead money for weeks or months as the relative strength failed to turn. But by waiting for the tactical turning point, you can time breakouts more accurately. The power gauge makes this timing much easier and helps you avoid getting killed by “bottom fishing”. And of course, you must follow your stops. But this technique can help you time trades better.

Pete concluded with one final announcement. If you're a subscriber and fan of Chaikin analytics. Please familiarize yourself with the Chaikin Trust. It's an amazing opportunity to see what this is all about..