

Good evening, mates! Welcome to Wilma Wealth Management, I'm

WhiteGreen, your closest investment buddy!

Today, all three major indices on the ASX saw slight increases, with the XJO Index successfully breaking through both the MA89 and MA5 moving averages after rebounding for two consecutive days. The index is now approaching a resistance level near the MA13 moving average. Will the index continue to break above this resistance tomorrow, or will it pull back for a correction due to resistance?

Today marks the last trading day of April. How can we gauge the market sentiment for May based on the performance of AGL and COL in April?

Last night, I discussed with mates the importance of adopting an institutional mindset to interpret the trading information of COL, as institutional investors are generally more rational and objective than retail investors. Their actions offer us a deeper understanding of the market dynamics.

In tonight's session, I will delve into how to leverage the investment logic and operational patterns of institutions to optimize our trading strategies. Emulating the mindset and analytical strategies of institutions can prevent impulsive trading decisions during significant market volatility, enabling us to manage our investments more robustly.

Are you ready, mates?



This chart represents the intraday performance of the XJO Index. Today's behaviour of the XJO Index was a classic "V" shape reversal. In the morning session, the index initially experienced a slight decline due to poor performances in heavyweight sectors like finance, resources, and healthcare. However, with a rebound in the finance and resources sectors, the index quickly bounced back, demonstrating the market's resilience.

Looking at the overall market, out of the 11 industry sectors, 8 recorded gains while 3 saw declines. Real estate, discretionary consumer goods, and healthcare sectors performed exceptionally well today, leading the gains. Meanwhile, the industrial, utilities, and information technology sectors failed to follow the upward trend of the market and showed minor declines.



This chart shows the daily line chart of the XJO Index. From today's analysis of the daily cycle chart of the XJO Index, the index demonstrated a positive rebound momentum, particularly in the final stages of trading. With substantial buying activity, the index successfully reclaimed the MA5 moving average and closed near the MA13 moving average. This suggests that the index has the momentum to continue testing the resistance level of the MA13 moving average.

However, given the Fed's interest rate decision and Powell speech on Thursday, investors typically adopt a more cautious approach ahead of significant monetary policy events, avoiding large-scale trading actions before the outcomes of such policy decisions are known. Therefore, although technical indicators suggest upward potential for the index, actual market performance might remain subdued, with investors waiting for clearer policy signals before making further investment decisions.

In this market environment, investors should pay close attention to upcoming economic data and policy speeches to better understand the potential direction of the market and adjust their investment strategies accordingly. Tomorrow's market may not see significant fluctuations, but any new developments on the information front could quickly alter market sentiment and trends.

In yesterday's discussion, we delved into why adopting an institutional mindset is essential for analyzing the sharemarket. In the financial markets, there aren't just individual investors; there are also sovereign wealth funds, private equity, hedge funds, and quantitative investors. These institutions manage significant capital and have access to extensive market information, making their investment decision-making processes distinctly different from individual investors.

For institutional investors, they cannot simply enter the market with large amounts of money to buy and sell stocks, as this would cause severe market volatility, which is not in their interest. Therefore, they often employ more sophisticated and long-term strategies for investing. Their market operations are typically based on in-depth research and meticulous strategic planning, utilizing their advantages in capital and information to influence security prices and market liquidity.

Understanding the operational methods of these institutional investors is crucial for grasping the dynamics of the entire market. The actions of institutional investors in the market can have a decisive impact on market trends, and their investment decisions are considered more rational and information-driven than those of individual investors. Thus, learning and applying an institutional mindset allows us to sync with institutional investors in a volatile market, mastering their investment rhythms. This is key to any investor's success. This is why we need to deeply learn and apply institutional thinking in market analysis, to better seize market opportunities.

In our investment community, the majority of members are individual investors, and it might seem like you're at a disadvantage compared to large institutions in terms of capital size and access to information. However, individual investors possess a unique advantage—flexibility. When faced with sudden market changes, individual investors can quickly adjust their investment portfolios and trading strategies. In contrast, large institutions, due to their substantial funds and fixed investment policies, often react more slowly in rapidly changing markets, and thus bear greater risk.

Therefore, I encourage every member of our community, especially individual

investors, to fully utilize your own flexibility. We can learn from the analytical and decision-making approaches of institutional investors and apply these to our own investment practices. This not only increases the likelihood of success but also enables us to quickly seize opportunities when they arise in the market.

By continuously learning and applying advanced investment concepts, we can enhance our market insights and risk management capabilities while maintaining individual flexibility, thus enabling a more robust progression in the financial markets. This strategy allows us to find our own paths for survival and growth amidst the volatility of the financial markets.

Many of you may already be familiar with our company's business sectors, which include sovereign wealth funds, private equity, hedge funds, and quantitative investments. Next, I'll share with you the preparatory work we do before buying stocks, giving you a clearer understanding of the operational logic and processes of institutional investors in the sharemarket.

Institutional investors generally follow these procedures when operating stocks:

1. **Research and Analysis:** We have a team of professional analysts responsible for studying market trends, macroeconomic conditions, industry situations, and the financial health of specific companies.
2. **Investment Decision:** Based on the research and analysis, our investment managers or decision-making groups formulate investment strategies, including the timing, pricing, and scale of buys and sells.
3. **Trade Execution:** Once the trade instructions are confirmed, our traders execute the buy and sell operations on the sharemarket, typically using advanced trading platforms and algorithm systems.
4. **Risk Management:** During the trading process, we closely monitor market changes and take appropriate risk management measures, such as setting stop-loss points and using derivatives for hedging risks.
5. **Compliance Review:** We adhere to strict legal regulations and internal compliance policies, with compliance reviews possible both before and after trades.
6. **Portfolio Adjustment:** Depending on market performance and changes in investment strategy, we periodically adjust our investment portfolio to optimize returns.

This process involves complex decision-making and multi-level risk control, fully reflecting the professionalism and systematic approach of institutional investors. I hope that tonight's sharing will help you better understand and master this knowledge, supporting your future investment decisions.



This image displays the intraday trend charts for COL yesterday and today. In the sharemarket, the behavior of institutional investors significantly impacts market dynamics, particularly in leveraging market psychology and trading strategies. Let's delve into a common institutional operation strategy: "shakeouts." A shakeout is when institutional investors intentionally depress the stock price to accumulate more shares at a lower price. By creating panic in the market, institutions can induce retail investors to sell their shares in fear, at which point institutions collect these shares at lower prices.

Taking COL's intraday charts as an example, we can observe that after the stock price was quickly suppressed in the early trading hours, even though substantial funds were buying later, the price did not rebound significantly. This phenomenon is deliberately orchestrated by institutions to induce retail investors to sell their shares amidst

uncertainty and panic. When retail investors sell at low prices, institutions accumulate shares at a lower cost, preparing for a possible price increase later.

The key to this strategy is to leverage capital advantage and market influence to cleanse the market of weaker shareholders using technical means. For individual investors, understanding the existence of such strategies is crucial. It helps us avoid making impulsive investment decisions during market fluctuations and maintain stability and rationality in our investments.

Therefore, as individual investors, we should learn to remain calm in such market conditions, stick to our long-term investment strategies, and not be swayed by short-term market turbulences. Additionally, we should focus more on the fundamentals of companies and long-term market trends rather than being influenced solely by short-term price fluctuations. By doing so, we not only avoid being exploited by institutional strategies but also can grow our investment portfolios more robustly.



This chart is the monthly cycle for COL shares. From the monthly chart of COL, we can identify several key points. Firstly, in March, the stock price rebounded significantly after touching the middle Bollinger Band, indicating some level of support at this level. However, in April, the stock price fell back to near the middle Bollinger Band, with a total monthly decline of 4.25%; the MACD indicator shows that the red momentum bars are gradually diminishing, while the DIF and DEA lines have stabilized above the zero axis, which is typically seen as a healthy sign for the stock price trend.

Therefore, based on the current chart analysis, the COL stock price might continue to fluctuate near the middle Bollinger Band at the start of May. This fluctuation could be a result of market institutions collecting sufficient chips, using a shakeout strategy to clear out early market profit-takers. Once this process is completed, there might be a possibility for a new upward cycle in the stock price by mid-May.



This chart is the monthly cycle chart for AGL. When analysing the stock price trend, we can observe a very apparent phenomenon: after AGL's stock price fell from the upper Bollinger Band to the middle Bollinger Band, the market went through about three months of adjustment. Only this month did the stock price finally break through the middle Bollinger Band again, showing signs of a new upward trend. This initiation of the upward trend is also validated by the MACD indicator, where the increase in green momentum bars further confirms the start of the uptrend.

Additionally, the support from the MA5 moving average line, which I mentioned earlier, is a key point. In today's market, the stock price rapidly fell, at one point dropping below the MA5 line by more than 2%, but it strongly rebounded above the MA5 line by the close. This phenomenon could be market leaders conducting a shakeout operation, aimed at clearing out less committed investors, thereby preparing institutions for potential market rises in the coming month.

Today, I had a simple chat with my mates, discussing the operational processes of institutional investors in the sharemarket. In future sessions, I'll delve deeper into

some practical trading techniques used by institutions in the sharemarket. For instance, how to rapidly accumulate more shares without driving up the price too much during the accumulation phase, how to avoid the disturbance from trend-following traders when pushing up the stock price, and how to strategically sell off shares at high prices during the distribution phase.

I hope that by sharing these institutional-level trading courses, I can help you understand and apply institutional thinking, thereby enhancing your trading skills and decision-making abilities in the sharemarket. With these skills, you'll be better equipped to identify market opportunities and maintain an edge in the complex and volatile sharemarket.

The two-day Fed monetary policy meeting starting today in Washington is the focal point of this week's market attention. On Thursday, we will see the Fed's interest rate decision and Powell's monetary policy press conference. This is a significant point of information for investors. In tomorrow's session, we will delve into how these decisions, should the Fed indeed keep interest rates unchanged and possibly adjust its balance sheet reduction plans, will impact the financial markets.

We need to interpret these policy signals from multiple perspectives and analyze their potential profound effects on the global economy and, specifically, the stock market.

As our discussion for today is coming to a close, let's ponder two key questions to deepen our understanding of today's topics:

1. What are the basic operational processes that institutional investors typically follow in the sharemarket?
2. Compared to institutional investors, what are the advantages and disadvantages for individual investors?

I hope today's content has been enlightening and enhanced our understanding of the market. Tomorrow, we will continue our financial education journey, exploring more in-depth market knowledge together.



Mates, have a great night!!