After the Lesson 5, we received the following query from a student:
Even though the Lesson 5 was not recorded, the presentation created by Thomas and uploaded to the aaiisandiego website is clear on most points that the presentation seems able to stand by itself - great job by Thomas.

However on Slide Page 21 of the Lesson5Slides.pdf titled "Current State of the 11 S&P Sectors" the value for TC is a bit ambiguous for me and without the recording I was hoping some clarity may be provided on the way TC is calculated.

On the next slide 22, it shows a value for TC that appears that it could be the position of a security within the Trend Channel the Linear Regression trend channel.
If my guess is not correct, may I ask for some details on how the value for TC is calculated? It might be helpful to others to post a small explanation on this point for others who access the PDF.

Here is Tom's reply:
I'm pleased you're interested enough to ask this question. First, this "Fundamentals" class wasn't intended to be a class on charting stocks, but as a chartist myself, I can't help but demonstrate things with charts. I don't think a presentation like this with only bulleted text slides could convey the same information. As far as the TC (Technical Configuration or State) of the charts, that's a simple qualitative method I use to determine the quality of a stock chart without doing any work. My scale runs from "as good as it gets (TC1)" to "as bad as it gets (TC6)." All my charts use (open-high-low-close) price bar charts, volume, and the 50-day (red) and 200-day (green) simple moving averages. When I plucked these working charts out of my inventory, I wasn't thinking didactically enough to label them as such, my mistake, sorry. As good as it gets (qualitatively) describes a chart were the 200-day is rising, the 50-day is above the 200-day and also rising, and the security price is above them both (of course, it will be going up and down). As bad as it gets describes a chart where the 200-day is falling, the 50-day is also falling and below the 200-day, and the security is below them both. Both those conditions are easy to recognize without doing any work or computing any abstruse indicator. The rest of the scale fills in the state of the chart as it goes from a 1 to a 6. For example, in a TC1 chart, if the security price falls below the 50-day, it's a TC2, then if the 50-day itself rolls over, it's a TC 3, if the security then falls below the 200-day, it's a TC4, when the 200-day rolls over, it's a TC5, and when the 50-day falls below 200-day, the chart's as bad as it gets (qualitatively), a TC6. One basic piece of chart (stock) maintenance I do at the end of each month, is list and rank the TCs of all my positions, stocks and funds. I want to see mostly 1s and 2s. Any 6s that show up, I think very, very seriously about selling. If I can't come up with good reasons to hold it, I sell it.

Though charts are extremely helpful in surveying and managing stocks, most investors don't use them. Why? Because they cost money and effort and time to use. Charts are tedious to maintain. You must become a stock hobbyist to do this work. Free charts are available all over the internet. But the free ones lack the ability to save all your notes and line studies on the chart; you can't make a personal record with them for your continuing use.

Finally, I also use free charts. When I get a recommendation for a stock, the first thing I do is go to "bigcharts" to get a quick 1-yr overview of the chart/stock at https://bigcharts.marketwatch.com/ It's amazing how often you'll read a recommendation for a stock from some guru that's going the "wrong" way, that is, it's going from the upper left to the lower right! It's amazing how often that happens. I feel like calling them up and asking, "Don't you even look at a chart before you recommend a stock to someone?"

I hope you find this information useful. Good luck with your stock activities.