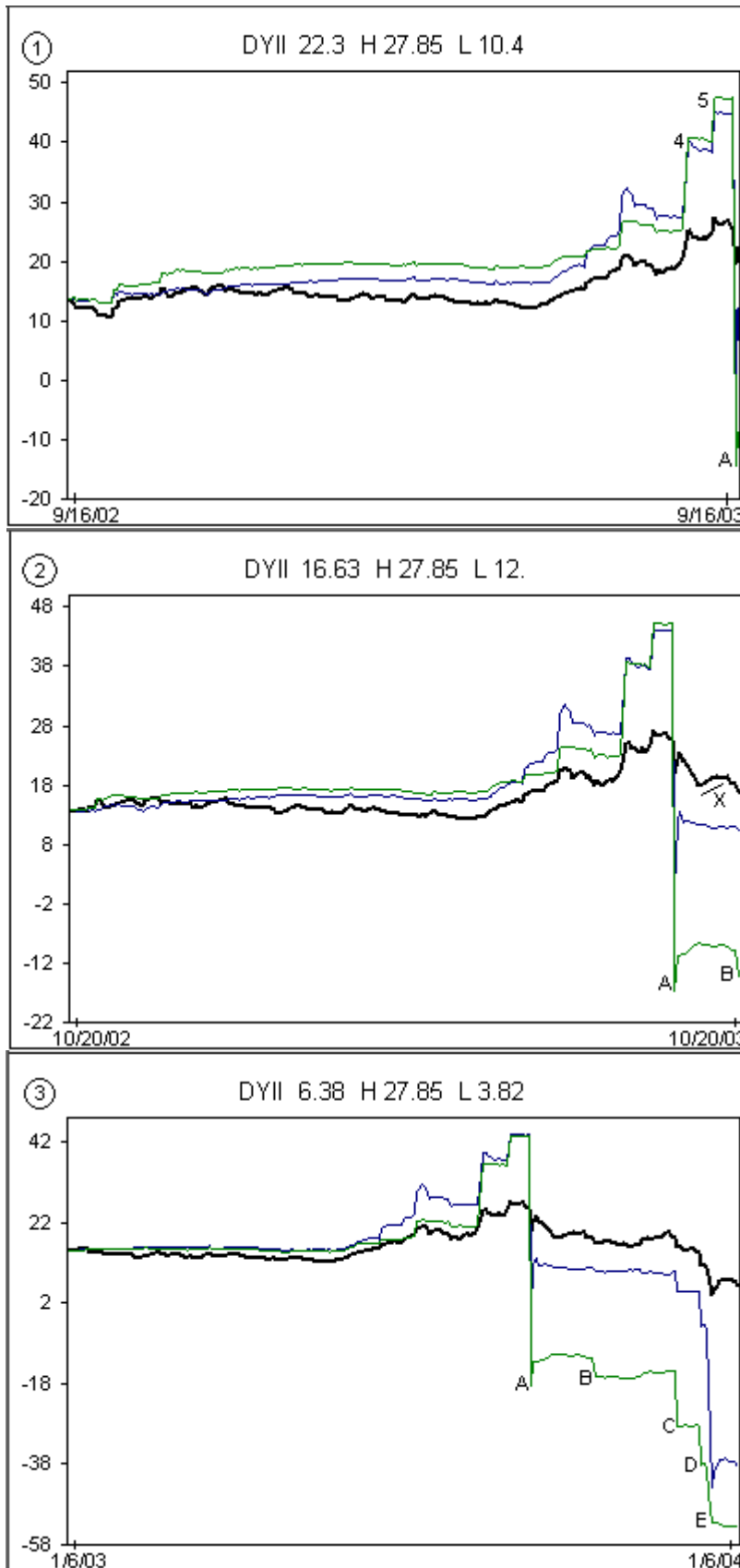


V. SELLING STOCKS USING LSI CHARTS



Shares of DYII have fallen on hard times recently as questions over accounting led to a downfall beginning with the negative spike at A. DYII had been under strong institutional accumulation up until this fall and the magnitude of the drop at A should lead investors to immediately reassess long positions. At this point investors should look to close long positions while short sellers might wait for further confirmation of a institutional sell-off (a second negative spike).

We see this second negative spike (B) on LSI Chart #2. However, we see confirmation only on the short-term LSI Line (green). Thus, the negative divergence forming at X is a somewhat riskier gamble than it would be with confirmation on both lines.

The key breakdown of this stock takes place at C as both lines move sharply lower confirming the mass exodus of institutional investors. By negative spike E, DYII shares are down significantly and continue to look negative into the face of a new negative divergence (share price rise following the negative spike at E).