

Table 3. The Profitability of Technical Trading Rules in Modern Studies, 1988–2004.^a

Studies	Number of studies			Profit range	Comments
	Positive	Mixed	Negative		
A. Stock markets					
Standard	2	2	2	4%–17% ^b (1897–1998)	<ul style="list-style-type: none">• For the DJIA, which is the most frequently tested series in the literature, results vary considerably depending on the testing procedure adopted. In general, technical trading strategies are profitable until the late 1990s but no longer profitable thereafter• Overall, variable moving average rules show the most reliable performance for the stock market over time• For several non-US stock markets (e.g. Mexico, Taiwan and Thailand), moving average rules generate substantial annual net profits of 10% to 30% until the mid-1990s
Model-based bootstrap	7	4	3		
Reality check	0	1	1		
Genetic programming	2	1	3		
Non-linear	3	2	0		
Chart patterns	4	1	1		
Others	8	1	0		
Sub-total	26	12	10		
B. Foreign exchange markets					
Standard	8	2	3	5%–10% ^c (1976–1991)	<ul style="list-style-type: none">• For major currencies, a wide variety of technical trading strategies, such as moving averages, channels, filters and genetically formulated trading rules, consistently generate economic profits until the early 1990s• Several recent studies confirm the result, but also report that technical trading profits have declined or disappeared since the early 1990s, except for the yen market
Model-based bootstrap	4	2	1		
Reality check	1	0	0		
Genetic programming	3	0	1		
Non-linear	3	0	0		
Chart patterns	2	1	2		
Others	3	1	1		
Sub-total	24	6	8		