

Index

- 50-day moving average, ix, 77, 90
 52-week high(s), 17, 30–33, 37, 41, 43,
 63, 79, 81, 116, 141, 201, 207, 211
 52-week low(s), 37, 41, 61
- admissions testing, 178
 Alaska, 199
 Amazon, 198
 Americanbulls.com, 18
 American Depository Receipt (ADR),
 164
 analogies, analogy, vii, xxi, 1–3, 13, 27,
 59, 75, 94, 123, 195
 analysis of covariance, 28
 analysis of variance, 27, 33
 analyst downgrades, x, 93, 129, 130,
 133, 135
 analyst estimates, 215
 analyst upgrades, 76, 130, 141
 Anderson, C., 197–198, 225
 Arabs, 173
 Aristotle, 172
 Arrow, K., 192, 225
 average volume indicator, 65
 average direction indicator, 65
 averaging down, 78
 averaging up, 78
 Ayres, I., 177, 225
- backtesting, 47, 180–181
 Baker, S., 199, 225
 bank CD, 5
 barchart.com, 18, 28, 64, 202, 209,
 212
- Barrons, 18
 bear market, xvii, xix, 9, 41–42, 55, 63,
 71, 90, 94, 99–100, 119, 132, 201, 205,
 214–215
 Bernoulli, J., 195, 225
 Bernstein, P.L., 171, 173, 190, 225
 Beta, 22, 28, 181
 Bible, 12, 162
 bigcharts.marketwatch.com, 18, 38, 49,
 62, 68
 Binnevies, R. 19, 225
 Blockbuster, 197, 198
 Bloomberg TV, 17, 117
 Bollinger bands, 65
 bonds, vii, 7, 9
 book value, 48, 55, 66, 67, 72, 118, 210,
 213
 Bordeaux, 177
 bribery, 154, 157, 164
 Britain, 162
 broadband, 16
 brokerage, vii, 10–11, 16–17, 23, 76, 78,
 95, 116–117, 119, 134, 197, 199
 Buffett, W., 12, 26, 218
 bull market, 11, 35, 41–42, 55, 72, 85,
 97, 100, 119, 205, 211, 212
 bull markets and bare knees, 100
 buy, xi, 6, 10, 12–13, 17–19, 21, 28, 32,
 39–40, 50–54, 65, 68, 70–71, 73,
 75–82, 85, 88, 95–98, 100, 104, 110,
 112–113, 116–118, 120, 131, 134,
 137–139, 141, 143–144, 148, 149, 153,
 158, 167, 168, 181, 184, 193, 214, 217,
 221, 227

- buy-and-hold, 13, 98, 100, 144, 181
 buyer sentiment, 25
- California, 6, 199, 229
 call option, 102, 105
 capital gains tax, 79, 134, 221
 capitalism, capitalistic, xx, 151, 152,
 153–154, 162, 168, 220, 222
 capitalization, 9–11, 22, 26, 95, 104,
 130, 131, 138, 140, 181, 200, 219, 223
 cash flow, ix, 17–18, 26, 43, 48–49, 51,
 55, 66, 68–69, 72, 118–119, 150, 166,
 182, 185, 210, 213
 cash-flow-per-share ratio, 18, 48, 49,
 67, 69, 213
 CBOE Volatility Index (VIX), *See also*
 Chicago Board Options Exchange,
 90, 102, 103, 105–108, 110–111, 113,
 130, 146, 176, 183, 185, 205, 215,
 217
 cboe.com, 18, 105
 Chaikin's Money Flow, 51
 chartists, 26
 Chase, S., 197, 247
 Chicago Board Options Exchange, *See*
 CBOE Volatility Index (VIX)
 Chomsky, N., 3
 Clasing, H.K., 181, 226
 clearstation.etrade.com, 18, 49, 69,
 202, 210, 213
 CNBC, 17, 117
 Columbus, C., 146
 commission(s), xi, 11, 16–17, 78, 79,
 86, 95, 98, 112, 134, 135, 140, 198
 commodities, vii, xix, 7, 9
 construct validity, 53
 cookies, 199
 Copernicus, 173
 correlation (coefficient of), 5, 20, 52,
 53, 55, 100, 124, 127, 128, 168, 176,
 177, 187, 219
 cost averaging, ix, 77, 83
 cup-and-handle pattern, 66
- data entry, 119, 121, 209
 David (King), 1
- David, F.N., 225
 day traders, 6, 192
 debt, *See also* indebtedness, 17, 26, 27,
 30, 48, 49, 51, 53, 70, 72, 153, 156,
 160, 161, 167, 168, 169
 debt-to-equity ratio, 49
 delay of gratification, 168
 demanding supply, ix, 77, 83
 deworsification, 94
 disequilibrium, 27, 100
 divergence, *See also* EPS/PE
 divergence, ix, xv, xxi, 49, 50, 51, 54,
 55, 66, 68, 69, 118, 119, 130, 182, 183,
 185, 210, 213
 diversification, xi, 40, 77, 78, 94, 97,
 129, 140, 143, 144, 191, 218
 double-bottom pattern, 28
 Dow Jones Industrial Average (DJIA),
 xvi, 100, 102, 103, 104, 113, 190, 205
 due diligence, xi, 22, 130, 131, 137
- earnings, *See also* earnings growth,
 PE, rolling earnings per share, ix,
 xvii, 2, 5–6, 11, 13, 17, 25–27, 29–31,
 35, 42, 43, 45, 47–51, 53, 55, 66–69,
 72–73, 76, 81–82, 86, 93–95, 97, 116,
 118, 119, 130–133, 141, 150, 182–185,
 200, 202, 210, 215, 218
 earnings growth, ix, 43, 47, 48, 51,
 67–68, 72, 119
 Ecclesiastes, 6
 Eckhardt, W., 78
 economy of abundance, xii, 197
 198–200, 202, 225
 Edison, T., 4, 142, 206
 Efficient Market Hypothesis (EMH),
 172, 182, 185
 Einstein, A., xix, 166
 election-year indicator, 101
 Elliott, R. N., 102
 Elliott Wave Principle, 41, 65, 101, 146,
 225
 Elliott Wave Theory, 148, 173
 Emerson, R.W., 162
 EPS, *See* earnings, EPS/PE divergence
 EPS/PE divergence, *See* divergence

- equilibrium, *See also* disequilibrium, 27, 53, 77, 172, 182, 191
- equilibrium theory, 99
- Excel software, *See also* Microsoft Excel, 19–21, 38, 39, 62–63, 120, 210, 213, 216, 225, 231, 232
- Excel spreadsheet, xiii, xvi, 40, 116, 119, 203–209, 211, 213, 215, 232
- exchange-traded funds (ETFs), 7, 9, 41, 112, 114, 145, 205, 213, 215, 218
- exchange-traded short (bear) funds (ETFs), 41, 112, 114, 145, 205, 215
- Ezekiel, 12
- failure to deliver (FTD), 153
- favorable period(s), *See also* unfavorable periods, 110, 112–114, 217–218
- FBI, 151
- fear index, 102, 105, 183
- Federal Reserve Board Open Markets Committee (FOMC), *See also* FOMC, Fed, x, xv, 123–125, 127–129, 135
- Fermat, P., 173, 187
- Fibonacci, 173
- Fibonacci ratio, 9, 173, 190
- Fidelity Magellan Fund, 147
- finance.google.com, 18
- FOMC target lending rate, xv, 123, 125, 129
- fractal(s), 6
- France, 177, 187
- fraud, 96, 133, 151, 154, 158, 161, 164, 220
- free cash flow, ix, 49, 69, 72, 182, 210, 213
- free-cash-flow-per-share ratio, 17–18, 30, 43, 213
- Frost, A.J., 19, 148, 173, 225
- Fullman, S.H., 19
- fundamental analysis, xvi, 208, 214
- fundamental approach(es) (decisions), viii, 25, 26, 32, 65
- fundamental data (concerns, factors, information), 18, 26, 27, 29, 30, 40, 43, 55, 59, 61, 66, 70–71, 73, 76, 78
- fundamental indicators, ix, 22, 70, 72
- fundamental-technical hybrid system, *See* technical-fundamental hybrid system
- fundamental traders, xvii, 26
- fundamental variables, viii, 17, 27, 29, 30, 43, 45, 53, 55, 59, 66, 70–72, 74
- fundamental-value approach (strategy), 44, 45, 52, 54, 57, 59
- fundamental-value system, viii, xv, 33, 45, 47, 49, 51, 52, 53, 54, 55, 56, 57
- fundamental-value ratings (scores), 52, 70, 210
- fundamentals, 42–43, 72–74, 79–80, 88, 118, 149, 202
- Gainskeeper software, 17, 95
- Galileo, 173
- gambling, vi, 11, 12, 173, 189, 225
- globalization, 157–158, 163, 169
- goal-oriented, vii, 5
- Google, 18, 198, 199, 211
- GPA, 72
- Graham, B., 19, 26, 225
- Greek (language), 13
- Greeks, 173
- Greenspan, A., 128, 154
- growth, ix, xvii, 2, 6, 26, 30, 35, 42–43, 47–49, 51, 66–70, 72, 81, 88, 109, 119, 141, 156, 158, 160, 163, 182, 201, 210, 213, 219, 221
- growth-momentum, xv, xvii, 36, 40, 41, 44
- Hacking, I., 173, 225
- Harnett, D.L., 19, 225
- Harvard University, 192, 227
- head-and-shoulder patterns, 66
- heating oil futures, 7
- Hebrews, 193
- Henning, G., 188, 225
- hold, *See also* buy-and-hold, 3, 6, 9, 35, 39, 40–41, 52, 54, 70–71, 76, 81, 85, 86, 88, 89–90, 93–95, 97–98, 100, 118, 120, 139, 140–141, 143–144, 148, 162, 178, 181, 214–215, 217

- Horrell, J.F., 49, 225
 hybrid technical-fundamental approaches, *See* technical-fundamental hybrid systems
- indebtedness, *See also* debt, 160, 161, 169
- independent distribution, 30
- index fund(s), 5, 10, 94, 100, 103, 110, 140, 218
- inefficiency(ies), xxi, 182–185, 190, 194–195, 224
- inflation, xv, 5, 7, 123–128
- Information Age, xii, 197, 199, 201, 202
- inner dialogue, 159–160, 166
- ino.com, 18
- insider buying, 25, 133
- integrity, xii, 129, 132, 151–153, 155–164, 166–169, 180, 192, 220
- investment rank, 42, 53, 64, 209, 213
- investment value(s), 37–39, 61–63, 207, 209
- investors, xviii, 6, 9, 19, 26, 43, 49–50, 68–70, 90, 96, 98, 101–102, 105
- Investors' Business Daily, 18, 22, 27, 29
- Israel, 168, 223
- Italy, 173
- Jacob, 194
- January effect, 181
- Jefferson, T. 178
- journal(ing), xi, 143–145
- jubilee, 168
- Judeo-Christian values, 161
- Jurik, M., 19, 225
- Keynes, J.M., 171, 176, 225
- Kinmen, 163, 229
- Knight, F., 171, 226
- Laban, 194
- large-cap stocks, 30, 95
- LeFevre, E., 19, 158, 226
- Life Technologies Corporation (LIFE), 223
- limit order(s), 16, 75, 78, 80, 87, 135, 138
- limit sell order(s), 86, 117, 138
- Long Term Capital Management (LTCM), 180
- long-pole reversals, 64
- long-term debt, *See also* debt, 26, 48, 72
- Luke, 12, 13
- Lynch, P. 19, 147, 226
- MACD oscillator, 65
- MacDonald, G., 166, 226
- Madoff, B.L., 151, 155, 158
- Mainland China, 163
- Malkiel, B.G., 100, 184, 226
- Manhattan Project, 137
- margin, vii, 10, 11, 37, 46, 60, 168, 222
- margin call(s), 11, 77
- margin interest, xi, 10, 134, 135
- market inefficiency(ies), *See also* inefficiency(ies), xxi, 182–185, 195, 224
- market maker(s), x, 79, 80, 87, 96, 101, 117, 131–135
- market order(s), ix, 78–80, 83, 87, 117, 132, 135
- market pollution, 167
- market timing, *See also* timing indicator(s), 104–105, 107–108, 110, 113, 134, 146, 215, 217, 224
- Markman, J.D., 19, 226
- Markowitz, H., 191, 226
- mathematical models, viii, xii, xix, 25, 27, 29, 31–33, 42, 172, 179, 180
- mathematical trading systems, viii, 21, 22–23, 33, 167, 177, 180, 182, 185, 193, 217–218, 224
- mathematization, viii, 32
- Maturi, R.J., 19, 99, 226
- Medicare, 153, 154
- Mendelev, 166
- Merriwether, J., 180
- Merton, R.C., 180
- message boards, x, xi, 18, 77, 116, 117, 130, 131, 135, 141
- microcap stocks, 176

- microeconomics, 4
- Microsoft Excel, *See also* Excel
software, Excel spreadsheet, 20,
203, 216, 231, 232
- Microsoft Office, 20
- Microsoft Powerpoint, 20
- Middle Eastern, 100, 156, 157
- Misery Index, xv, 124–125, 127, 128
- momentum, *See also*
growth-momentum,
technical-momentum, xiv, xvii, 6, 25,
26, 35, 43, 78, 94, 117, 130, 182,
184–185, 204, 207, 209
- money flow, *See also* Chaikin's Money
Flow, 49, 51, 53, 69
- moneycentral.msn.com, 18
- Monteagle Informed Investor Growth
Fund (MIIFX), 201
- morality, xii, 151, 180
- moving average hilo channel, 65
- multiple regression, 30, 33, 47, 182
- mutual fund(s), vii, xix, 7–8, 11, 98,
118, 201
- Myriad Genetics, Inc. (MYGN), 201
- mythological indicator(s), *See also*
quasi-mythological indicator(s), x,
99–100
- NASA space program, 32
- Nasdaq Composite Index, 125
- Nasdaq Stock Exchange, 151
- Nassar, D.S., 19, 226
- Netflix, 198
- New Market Wizards, 19, 56, 226
- Newtonian, 171, 172
- normal distribution(s), xvi, 28, 172,
187–190, 196
- odd-lot volume indicator, 101
- OEX Index options, 8
- O'Neil, W.J., 9, 19, 22, 29, 99, 226
- one-year gain, *See also* 52-week
high(s), 46, 60
- on-line access, 16, 117, 153, 198
- option(s), *See also* call option(s),
index option(s), put option(s), vii,
xix, 7, 8, 10, 16–17, 19, 26, 102, 105,
131, 162, 195, 198, 222, 225
- orange juice futures, 7
- overextended, 43, 64, 89
- overhang problem, 31, 37
- overtrade, xi, 140
- parabolic time/price indicator, 65
- Pascal, B., 173, 187
- Paterno, J., 167
- patterns of price movement, 25, 38, 43,
55
- PE ratio, *See also* earnings, ix, xv, 18,
28, 31, 47, 49, 50–51, 53–55, 66–69,
118–119, 130, 181–182, 185, 213
- peaks and valleys, xv, 103, 104, 105,
106, 113
- Pearson, K., 187, 226
- Pennsylvania State University, xvii,
xviii, 20, 145, 229
- penny stock, 18
- percent lag, *Also* % Lag, 36, 39, 42–43,
61, 63, 204
- percentage gain, 8, 38, 39, 41, 51, 62,
63, 73, 100, 209, 212
- personal consumption, xvi, 165
- Peters, E.E., 19, 100, 172, 226
- philosophical, 13, 225
- philosophy, vii, 1, 10, 142, 159
- point-and-figure analysis, viii, 43, 64,
65, 72, 86, 119, 209, 212
- population growth, 156
- portfolio management, ix, 2, 18, 20, 57,
93, 98, 103, 110, 140, 191
- pragmatic, 3, 45, 221
- pragmatism, vii, 3, 4
- Prechter, R.R., 19, 148, 173, 225
- precious metal futures, 7, 95
- predictability, xii, 4, 171, 173–174, 176,
182, 215
- predictable, xii, xix, 4, 7, 102, 121, 147,
166, 167, 173–174, 175, 181–182, 184,
189, 191
- price entry point, 75
- price-to-sales ratio(s), *Also* price/sales
ratio(s), PSR(s), 17, 26, 47, 48, 66, 67

- price-to-book ratio(s), 48, 67
 price-to-earnings ratio, *See* PE ratio
 probability, xii, 4, 33, 104, 142, 171,
 173–176, 179, 185, 192, 224–225, 227
 protected workspace, viii, 21, 23
 Protestant work ethic, 156
 Proverbs, 12
 proximity to new highs or lows, 17, 25,
 30, 31, 33
 Psalms, 1, 12
 pump-and-dump, x, 37, 46, 60, 130, 135,
 141, 161
 put option(s), *See also* option(s), 8, 10,
 102, 105
 put/call ratio(s), xv, 18, 102, 105, 106,
 108, 130, 183, 185, 215
- qualifying variable(s), viii 35, 45, 59
 qualitative research, 178, 179
 quantitative research, 20, 178, 179, 227
 quasi-mythological indicator(s), x, 101
 Quemoy, 163
- raging-bull.quote.com, 18
 random walk, *Also* Random Walk
 Theory, xii, 4, 26, 99–100, 171–172,
 182, 184–185, 226
 random, randomness, xix, 4, 9, 53, 61,
 172, 184, 185
 RANK function, 38, 39, 62, 63
 rank indicator(s), ix, 82–91
 rate of ascent or descent, 25, 37, 109,
 207, 212
 rate of gain, 35
 record keeping, x, 95, 98
 regression to the mean, 148, 171, 173
 reliable indicator(s), x, 99–100, 102
 risk, xii, 2–3, 10–12, 19, 36, 40, 93–94,
 142, 161, 174, 187, 190–197, 199, 202,
 214, 223–227
 risk management, xii, 144, 173, 187,
 188–193, 196, 225
 risk/reward/trust contingency, xvi,
 193, 194
 Riss, R.M., 162, 226
 Roberts, H., 172
 Rudd, A., 181, 226
- S&P 500 Index, xv, 48, 51, 68, 105, 106,
 110, 112, 114, 124, 217, 218
 Scholastic Aptitude Test (SAT), 30, 72
 Scholes, M., 180
 Schwager, J.D., 18, 19, 226, 227
 sector strength, 25, 43
 secularization, 155–156, 161, 169
 Securities and Exchange Commission
 (SEC), 151, 153
 sell, xi, xii, 6, 8, 17–19, 21, 32, 41, 46,
 50, 60, 64, 70–71, 73, 77–79, 81–82,
 85–90, 95–97, 104, 109–110, 112–113,
 117, 120, 130–132, 134, 137–139, 141,
 143–144, 148–149, 153, 200, 214, 222,
 227
 sell indicator, 89, 90
 setting targets, ix 83
 share-price gain, 30, 33, 47, 53, 72, 150
 share-price regression, 183, 185
 short trading, vii, 9, 10
 smart money, 101
 Smeal College of Business, xvii, xviii,
 20
 Smith, G., 8, 19, 99, 227
 software trading platforms, 16
 Sorenson, E., 191, 227
 Soros, G., 180
 sort command, 120, 210, 212, 213
 specialist(s), *See also* market
 maker(s), 79, 87, 131, 134
 speculative, 43, 127, 184, 214
 speculator(s), 6, 7
 Sperandeo, V., 19, 227
 spread, 11, 78–80, 87, 95, 138, 140
 spyware, 199
 standard deviation, 189
 Stanford University, 192
 Stanley, T.J., 160, 227
 Stigler, S.M., 172, 227
 stochastics, 42, 65
 stock-selection algorithm, 42, 55, 57,
 75, 97, 194
 stockcharts.com, 18, 43, 51, 64, 70, 86,
 209, 211, 212
 stop-loss order(s), ix, 87–88, 91, 96
 strong buy, *See also* very strong buy,
 39, 40, 52–54, 70, 71, 96, 214

- Sturm Ruger & Company (RGR), 202
 sunspot activity indicator, 100
 superbowl indicator, 100
 supplying demand, *See also* demanding
 supply, 77, 82, 86, 117, 138
 swing trader(s), 6, 140
 Swiss, 142
 systematic risk, *See also* unsystematic
 risk, 94
 systemic risk, 223
- Taiwan, 163, 251
 Tanous, P.J., 18, 19, 227
 tax(es), xi, 79, 95, 134–135, 153, 223
 tax evasion, 151, 161
 tax reporting, 16
 technical analysis, xvii, 18–19, 64, 66,
 184, 212, 227
 technical approach(es), viii, 25, 26, 40,
 41, 95
 technical data, 27, 40, 55, 71–73, 181,
 212
 technical-fundamental hybrid stock
 selection system(s), viii, xv, 59, 66,
 70
 technical indicator(s), ix, 22, 26, 29, 43,
 63–65, 70, 72, 74
 technical-momentum, viii, 35, 45,
 54–56, 59, 61, 94
 technicals, 72–73, 88, 149
 three-month gain, 46, 63, 92, 201, 207,
 209
 timing, *See also* market timing, vii, xiii,
 xvii, 6, 7, 22, 26–27, 29, 33, 59, 64, 72,
 74, 97, 100, 102, 104–105, 113, 134,
 146, 176, 217, 224
 trading volume, *See also* volume, 8, 17,
 26, 36, 43, 46, 55, 60, 65, 78, 80, 89,
 119, 132, 138
 trading window, 6, 7, 42
 Train, J., 18, 19, 227
 Travelocity, 198
 trend spotter, 65
 triple-top breakouts, 64
 tsunami, 102, 176
 turnover ratio, x, 97, 98
- undervalued, 26, 31, 53, 191
 unfavorable periods, *See also*
 favorable periods, 112, 114, 218
 University of Chicago, 20, 171, 172
 unpredictable, *See also* predictable,
 129, 172, 176
 unsettled funds, ix, xi, 82, 83, 96, 143
 unsystematic risk, *See also* systematic
 risk, 94
 urbanization, 156, 162, 163, 169
- value, *See* book value, investment
 value
 variance, xii, 27–28, 30–31, 33, 66, 70,
 105, 189, 191, 196
 Vector Vest, 22, 27
 vectorvest.com, 18
 Venn diagram, 27
 very strong buy, 70–71, 118, 120, 214
 very strong sell, 70–71, 120
 VIX, 102–108, 110, 111, 113, 183, 217
 volatility index, *See* CBOE Volatility
 Index, VIX
 volume, *See also* average volume
 indicator, trading volume, xi, 25, 41,
 43, 46, 60, 65, 79–80, 86–87, 101, 134,
 138, 182
 Von Mises, R., 174–175, 227
- Wall Street Journal, 18
 weak hold, 70–71
 weak sell, 70–71, 73
 website(s), xv, 16–18, 26, 49, 62, 65, 69,
 118, 137, 141, 200–202, 209
 Wharton School of Finance, 20
 *Woods, T., 13, 85, 110
- Yahoo!, *See also* finance.yahoo.com,
 116, 118, 141, 199, 211
 YouTube, 198
- zero-sum gain(s), *Also* zero sum game,
 xvii, 12, 73, 221
 z-score(s), 188–189
 Zweig, M., 19, 99, 227

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

**CUSTOMER NOTE: IF THIS BOOK IS ACCOMPANIED
BY SOFTWARE, PLEASE READ THE FOLLOWING
BEFORE OPENING THE PACKAGE**

This software contains files to help you utilize the models described in the accompanying book. By opening the package, you are agreeing to be bound by the following agreement:

This software product is protected by copyright and all rights are reserved by the author, John Wiley & Sons, Inc., or their licensors. You are licensed to use this software on a single computer. Copying the software to another medium or format for use on a single computer does not violate the U.S. Copyright Law. Copying the software for any other purpose is a violation of the U.S. Copyright Law.

This software product is sold as is without warranty of any kind, either express or implied, including but not limited to the implied warranty of merchantability and fitness for a particular purpose. Neither Wiley nor its dealers or distributors assumes any liability for any alleged or actual damages arising from the use of or the inability to use this software. (Some states do not allow the exclusion of implied warranties, so the exclusion may not apply to you.)

<http://www.pbookshop.com>