

Index

200-stock matrix, 22, 25

A

acceleration, 29
adaptation, social, 54
*Administrative Behavior: A Study of
Decision-Making Processes in
Administrative Organizations*, 113
algorithmic methods
 model portfolio results vs., 142–143
 weakness in, 111
Alice's Adventures in Wonderland, 71, 81
alignment, 28
analytical skills, 107
Aronson, David, 128–129, 136
Ashby, W. Ross, 46, 55

B

balancing acts, 54
Baldwin, James Mark, 54, 55
Barber, Brad, 112
Basso, Tom, 10–11
BAT. *See* benchmark as target
bear markets, 88
 avoiding, 130–133
BEL. *See* benchmark equivalence line
benchmark, 15, 18–21
 building, 25
benchmark as target, 18–20
benchmark equivalence line, 18–21,
 32–37, 87

Bergman, Gregory, 55
Biefelt, Gary, 57
Bielema, Bret, 102–104, 110
black Monday, 93–96
Blake, William, 13
Boids, 28
Boulding, Kenneth, 45
Brandt, Peter, 57, 69
Brozynski, Torsten, 44
Buffett, Warren, 84
bull market, 135–136
bull market correction, 92–93
Burke, Brian, 102–105, 112
Burlington, 72
butterfly effect, 2

C

capital flow, feedback and, 31–37
Carroll, Lewis, 71, 75, 80, 81
cash, 135–136
cast-off days, 133
causes, reasons and, 6–7
Chestnut, George, 41, 43
Christensen-Szalinski, J.J.J., 113
CMA. *See* critical moving average
cohesion, 28
competition, 52
The Compleat Angler, 146
confidence, 47–48
 trader, 151

contrarian, 41–42
 collapse, 92–96
 control, 152
 hedge, 87–88
 herding, 92
 rebound, 88–91
 threats, 130–133
 traders, 8
 correction, bull market, 92–93
 Crandall, B., 113
 critical moving average, 127–129
 cycle, 30

D

Darwin, Charles, 53, 55
 data set, 5–6
 data, traders and, 5–6
 defensive long strategy, 133–135
 defensive performance
 benchmark and, 18
 risk and, 14–17
 Dennis, Richard, 10, 106, 115
*Diary of a Professional Commodities
 Trader*, 57, 69
 direction of entropy, 116–117
 direction of momentum, 116–117,
 127, 137–139
 strategy, 129–130
The Disciplined Trader, 113, 149
 discovery, price, 54
 DOE. *See* direction of entropy
 DOM. *See* direction of momentum
 Douglas, Mark, 113, 144, 149
 Dreman, David, 84
 Dreyfus, Hubert, 108, 113
 Dreyfus, Stuart, 108, 113

E

Eckhardt, William, 84, 106
The Education of a Speculator, 57, 69

Einstein, Albert, 3–4, 11, 127
 EMA. *See* exponential moving average
 Endsley, M.R., 112
 entropy, 45
 structure and, 46–47
 equities, Japanese traders and, 6–7
The Essence of Chaos, 11
Evidence-Based Technical Analysis, 136
 evolutionary theory, 53–54
 experts, intuition and, 107–108
 exponential moving average, 127–129

F

Fama, Eugene F., 97
 family resemblances, 111
 feedback, 28–31
 capital flow and, 31–37
 Fenton-O’Creevy, Mark, 97, 112
 FL. *See* fuzzy logic
 flash crash of 2008, 90
 Foster, Orlin D., 9, 11
 French, Kenneth R., 97
 Fuchs, Christian, 27, 42
 fundamentals, price and, 6
Futures Game, 112
 fuzzy logic, 113

G

*The General Theory of Employment,
 Interest and Money*, 55
 Getchell-Reiter, K., 113
 Gilmore, Leigh, 1, 11
 global states, local conditions vs., 53
 goal seeking, truth seeking vs., 52–53
 Goldberg, Elkhonon, 107, 113
 Grinblatt, Mark, 44, 70
 groups, stock momentum and, 68–69

H

Hand, Learned, 4, 11
 Hayes, Woody, 104

- hedge, contrarian, 87–88
 Heraclitus, 54, 55
 herding, contrarian, 92
 Herrigel, Eugen, 55
Hidden Order, 113
 Hieronymus, Thomas A., 112
A History of Communication Study: A Biographical Approach, 55
 Hoffer, Eric, 53, 55
 Hogarth, R.M., 113
 Holland, John, 113
How I Became a Quant, 43, 113
How to Trade in Stocks, 81, 83, 96, 98, 112
- I**
- implementing strategy, 144–146
The Individual and Society, 55
 industry memberships, stock momentum and, 68–69
Introduction to Cybernetics, 55
An Introduction to General Systems Thinking, 55, 113
 intuition, 107
 experts and, 107–108
Isms: From Autoerotism to Zoroastrianism—An Investment Guide, 55
 Izrailtyan, Igor, 136
- J**
- Japanese traders, equities and, 6–7
 Jegadeesh, Narasimhan, 41, 43, 70, 81
 Jones, Frank, 112
 Jones, Paul Tudor, 57
- K**
- Kahneman, Daniel, 112, 113
 Karelaia, N., 113
 Kelly, Chip, 102, 105, 110
- Keynes, J.M., 51–52, 55
 Klein, Gary, 113
 Kovner, Bruce, 10
 Kresh, J. Yasha, 136
- L**
- laggards, 40
 Lakonishok, Josef, 97
 Laplace, Pierre-Simon, 4, 11
 Laski, Harold, 104, 105, 112
The Laws of Imitation, 55
 laws of motion, 4
 leaders, 40
 Lefevre, Edwin, 81, 136, 146
 Leibniz, G.W., 113
 Levy, Robert A., 41, 43, 70, 88, 92, 98
The Limits of Autobiography, 1, 11
 Lindsey, Richard, 113
 Livemore, Jesse, 6, 11, 71–81, 83, 92, 96, 98, 106, 112, 136–137
 local conditions, global states vs., 53
 long strategies
 defensive, 133–135
 performance of, 135
 results, 139
 Lorenz, Edward N., 1–2, 11
- M**
- Magazine of Wall Street*, 8
 Mandelbrot, Benoit, 46, 55
Market Wizards: Interviews with Top Traders, 10, 11, 70, 115, 126
 market, predictability of, 48–54
 matrix, 200-stock, 22, 25
 Maxwell, James C., 5–11
 Menkhoff, Lukas, 44
The (Mis)Behavior of Markets, 55
 model portfolio, 141–143
 algorithmic methods results vs., 144

- modern portfolio theory, 13
momentum, 64–67
Moneyball, 101
Moskowitz, Tobias J., 70
motion, laws of, 4
moving average
 critical, 127–129
 exponential, 127–129
MPT. *See* modern portfolio theory
- N**
Neff, John, 84
negative feedback, 30, 31
 capital flow and, 33–34
The New Market Wizards, 84, 96
Nicholson, Nigel, 97, 112
Niederhoffer, Victor, 57, 69
- O**
objective reality, 3–4
offensive performance
 benchmark and, 17
 risk and, 14–17
On the Origin of Species, 55
Opuscles et fragments inédits de Leibniz, 113
Oregon Ducks, 102
outcomes, effect of small differences
 on, 2
- P**
paradigm shifts, 54
parallelisms of behavior, 72
The Passionate State of Mind and Other Aphorisms, 55
performance spread, 62, 89, 95
 1998–2003, 63–64
 relative strength spread and, 61–67
Philosophical Investigations, 113
physical reality, 3
Pierce, J.R., 47, 55
portfolio, model, 140–144
positive feedback, 29, 31
 capital flow and, 32–33
pre-World War 1, 75–80
predictability, 52
predictability of the market, 48–54
predictions, 4
price discovery, 54
price, fundamentals and, 6
Principia, 4
- Q**
quanta, 3
quantum theory, 3
- R**
reality
 objective, 3–4
 physical, 3
 reasons, causes and, 6–7
rebound, contrarian, 88–91
relative momentum, 117–123,
 129–130, 137–139
 relative strength vs., 123–126
relative performance, 33–35
 trend of, 22–24
relative strength, 129–130, 145
 calculating, 37–38
 laggards, 58–59, 63, 85–86, 89–90
 leaders, 58–59, 63, 85–86, 89–90
 relative momentum vs., 123–126
 trend of, 23
The Relative Strength Concept of Common Stock Price Forecasting, 41, 43,
 70, 98
relative strength spread, 39–41, 59,
 61–62, 96, 115, 126, 151–152
 performance spread and, 61–67
relativity, theory of, 3

Reminisces of a Stock Operator, 81,
136–137, 146

residuum, 133

return, benchmark, 17–18

Reynolds, Craig W., 28, 42

risk

measuring, 14–17

standard deviation and, 13–14

Rogers, E.M., 55

Rogers, Jim, 84

Romer, David, 102, 112

Rose Bowl, 102

RS. *See* relative strength

RSS. *See* relative strength spread

Russell, Bertrand, 84, 96

S

San Francisco earthquake, 73

Sartre, Jean-Paul, 7, 11

Schacter, Barry, 113

Schmidt, Ulrich, 44

Schwager, Jack D., 10, 11, 57, 70, 84,
96, 126

Search for a Method, 11

separation, 28

serendipity, 2–5

Seven Kinds of Inflation, 55

sheep dog effect, 85–87

Shleifer, Andrei, 97

short strategy results, 139

Simon, Herbert, 109, 113

situational awareness, 99

skills, analytical, 107

Skinner, Richard Dana, 49, 55

Slater, Robert, 112

small differences, effect of on
outcomes, 2

Smelters Corporation, 73–74

Smith, Adam, 50, 55

Soane, Emma, 97, 112

social adaptation, 54

Soros, Robert, 106–107

*Soros: The World's Most Influential
Investor*, 112

stability, 30

standard deviation, risk and, 13–14

Stewart, Blair, 112

stock laggards, 95

stock leaders, 95

*Stock Market Analysis: Facts and
Principles*, 43

stock momentum, industry

memberships and, 68–69

strategies

combined long and short, 139–141

defensive long, 133–135

direction of momentum, 129–130

implementation, 144–146

structure, entropy and, 46–47

Suzuki, Daisetz T., 55

Symbols, Signals, and Noise, 55

T

Taiwan Stock Exchange, 112

Tarde, Gabriel, 54, 55

Teweles, Richard, 112

Tharp, Van K., 11

theory of relativity, 3

Thomas, Percy, 74–75

threats, contrarian, 130–133

*Through the Looking-Glass and What
Alice Found There*, 81

Ticker Technique, 11

Titman, Sheridan, 41, 43–44, 70, 81

Toppel, Eddie, 9

Trade Your Way to Financial Freedom, 11

trader confidence, 151

traders

contrarian, 8

data and, 5–6

- Traders: Risks, Decisions, and Management in Financial Markets*, 84, 97, 107, 112
- trend followers, 41–42, 152
- trends, 10
- evidence of, 10
 - relative performance, 22–24
 - relative strength, 23
- truth seeking, goal seeking vs., 52–53
- Tversky, Amos, 112, 113
- V**
- Venturi effect, 58–61
- Vishny, Robert W., 97
- W**
- Walton, Izaak, 146
- Wealth of Nations*, 55
- Wechsler, Andrew S., 136
- Weinberg, Gerald M., 55, 113
- Weisman, Andrew B., 41, 43
- Wermers, Russ, 44
- The Will to Doubt*, 96
- Willman, Paul, 97, 112
- Wilson, Thomas C., 113
- Wisconsin Badgers, 102
- The Wisdom Paradox: How your Mind Can Grow Stronger as Your Brain Grows Older*, 113
- Wittgenstein, Ludwig, 113
- World War 1, before, 75–78
- Wyckoff Associates, 8
- Wyckoff, Richard, 8
- Y**
- Yeats, W.B., 27
- Z**
- Zadeh, Lofti, 113
- Zen in the Art of Archery*, 55

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>