Receding From the Fray:   Technicians’ Silence on Behavioral Finance Deafening

Peter Kendall

Back in September 1995, Henry O. Pruden introduced MTA members to “a burgeoning field of study called behavioral finance.” In a long essay (available at http://www.tsaasf.org/tsa0496.html#Behavior), Pruden described how academic researchers were breaking off in a new direction that promised to shatter “the dominance of the random walk.”

What seemed to be underway, Pruden added, was “a paradigm shift, revolutionary change in the discipline of finance.” He said technicians needed to comprehend and appreciate these new stirrings because they would place them at the center of hot new field. If they followed similar shifts in history, Pruden said a quickening series of anomalies would chip away at the foundation of the efficient market hypothesis and then give way to “a radically different model to explain the world. ...The revolutionaries who spawn and nurture the radically different model typically come from backgrounds outside the prevailing discipline.” Because “behavioral finance” rests upon more realistic assumptions about the psychology behind financial decisions and technical analysis is just “applied behavioral finance,” Pruden asserted that BF would become the dominant academic theory and technical analysis should “share in the inheritance and benefits.”

Eight years later, Fortune magazine reports, “The behavioralists are now clearly the dominant stream in academic finance, having made the leap from outsider status during the 1990s.” The 2002 Nobel Prize in economic sciences officially recognized behavioral finance as the leading edge in finance. The award went to Daniel Kahneman of Princeton and Vernon Smith of George Mason University for their “integration of insights from psychology into economics.” Vernon Smith’s name should sound familiar to MTA members; he spoke at the 1993 conference in San Antonio. But something funny happened on the way to the revolution. Instead of leading the charge, technicians are receding from the fray. This newsletter reflects the tepid involvement of technicians. In recent years, it has been virtually silent on the subject. According to John Nofsinger, an assistant professor of finance at Washington State University and a leader on the academic side of the assault, a large “separation” continues to exist between academics and technicians. It remains “one of the greatest gulfs between academic finance and industry practice.”

This comes as no surprise to many long-time technicians. After 50 years of being told that their whole reason for being - beating the market - was a pipedream, most retain an almost innate aversion to academic financial theories. Academics have returned the favor by remaining as skeptical as ever of technical approaches – no matter how close they come to acknowledging that markets are driven by patterned psychological responses rather than the instantaneous rational application of all available market information. The day after he won the Nobel Prize, for instance, Kahneman was asked for investment advice by CNBC. His response: “Buy and hold.”

If there were any real exchange between the two disciplines or even an open hostility, technicians everywhere would have stepped forward to rebut Kahneman’s assertion. With the benefit of three years of decline from the bubble highs of March 2000, the marketplace has rarely provided them with more ammunition. A host of different tools and trillions in losses are now available to challenge leading behavioralists’ contradictory stand against timing. Instead of firing back, however, technicians have taken a pass on the opportunity. In December, Eugene Fama, the leading champion of the efficient-market theory and a former favorite to win a Nobel Prize, stepped into the void. Fortune says he responded to Kahneman’s claim “with glee” shouting, “That means I won!”

In the absence of any organized opposition, Fama and the efficient market theorists remain the big men on campus. In a paper titled “Resistance is Futile: The Assimilation of Behavioral Finance,” George Frankfurter of Louisiana State University and Elton McGoun of Bucknell University warn that behavioral finance risks falling in with rather than discrediting the efficient market hypothesis. The reason, as this excerpt explains, is that BF has failed to erect anything in EMH’s place:

BF is nothing more than an aggregation of so-far inexplicable phenomena encountered in testing the EMH/CAPM. It has no independent existence; it is not a methodology in its own right; it has been assimilated. It is not surprising that the proponents (in fact, the very founders) of the EMH ought to attempt to discredit and/or assimilate BF in the way in which Fama and others have. But what is astonishing is how the proponents of BF have acquiesced in this. The BF explorers that could have founded a new species of finance have not found a region of research space to call their own.

The paper argues that behavioral finance “is allowing itself to be assimilated into the modern finance paradigm, because that is the only possible way research can be done today and still be called finance.” When it comes to financial theory, the authors illustrate that the market for knowledge is like the market itself, extremely inefficient. The reason is “built in biases” regarding the interpretation of results. Exhibit A is Fama’s 1998 critique of behavioral finance, which is “subject to the same mistakes that BF attributes to investment practitioners.” By applying the insights of behavioralists to the efficient market theorist, the authors show that efficient market theorists are expressing many of the same ‘mistakes’ that are preventing BF from emerging as a new paradigm. So in effect, the failure of BF is, paradoxically, proof of its justification.”

Unfortunately, it is a proof that inhibits the new science far more than it advances it. As modern-day psychologists would say, behavioral finance is threatened by a highly dysfunctional academic side of the assault, a large “separation” continues to exist between academics and technicians. It remains “one of the greatest gulfs between academic finance and industry practice.”

Continued on page 4
From the Editor’s Desk

The structural bull market that ended in 2000 completed a somewhat rocky run for technicians and technical analysis. It isn’t that technicians were “behind the curve” or that technical analysis was less relevant during the 1982-2000 bull run for the stock market, far from it. It’s just that by the late 90s many technicians were preaching a sermon that the congregation didn’t want to hear; the tenets were risk management and risk/reward analysis, two children that were lost to the bull.

Of course, with the benefit of hindsight there is little question that a simple buy-and-hold strategy produced superior returns to a risk management approach, but the key question that was lost in most market analysis at the time was, “at what cost”? Now we know that the cost was very high. And for those of us with longer-term structural bear market leanings, it appears the tab for the 18-year bull market is still being passed around. The final bill may still be due.

The good news for us is that technicians are no longer the “buzz killers” we used to be. How times have changed. Aaron Task, a reporter for The Street.com who does a fantastic job covering technical analysis in his daily column, named technical analysis as a whole the “Guru of the Year” for 2002. These days the financial media no longer trots out the obligatory technician to explain the daily nuances of the tape. Today technical analysis garners a more prestigious stage than in the past. Reporters are more likely to spend quality space in their stories explaining key technical concepts. Technicians are more likely to appear on television financial media as the focus, rather than the sideshow. But along with this increased exposure and respect comes greater responsibility and leadership. I believe the choices we make today will have a profound impact on what our industry as a whole will look like 10 years from now.

In this month’s Technically Speaking MTA Executive Director John Kirby writes, in the appropriately titled “Management of Change,” about the many challenges facing the MTA and the importance of embracing this change in a positive way.

Also, Peter Kendall, who follows cultural trends and investor psychology for Elliott Wave International, writes about the current gap between technicians and academic researchers of financial markets using as a backdrop Henry O. Pruden’s 1995 essay on behavioral finance, a version of which appeared in the MTA Newsletter. (Follow this link for Henry O. Pruden’s essay http://www.tsaasf.org/tsa0496.html#Behavior) It’s remarkable to read this essay today, nearly eight years later, and see how far both sides have progressed, and yet, as Peter Kendall points out, it’s disturbing to see how far apart they remain. I hope this article begins a dialogue among us.

Also in this issue, in response to your request, we’re beginning a monthly Web site review. This month we take a look at Minyanville.com, a new web site that combines a healthy dose of education with entertainment and market insight. The education portion of the Website is headed up by Tony Dwyer, Chief Market Strategist of Kirlin Holding Corp., and a member of the MTA.

Last, but certainly not least, I’d like to introduce Cynthia Medric as Associate Editor of Technically Speaking. Cynthia has a strong background in financial markets and technical analysis having spent more than 15 years on Wall Street. She is currently the President and Founder of Portfolio Monitoring, Inc. a New Jersey based proprietary technical research firm. The addition of Cynthia will help us ensure the editorial content of the newsletter is on par with the excellence MTA members and affiliates have come to expect.

In coming months we’ll see Technically Speaking grow and expand in response to the feedback we receive from you, the members. Please let me know what you like or dislike by calling or writing: editor@mta.org

Sincerely,
Kevin Depew, Editor
Technically Speaking
From the Desk of the Executive Director

Management of Change

I hate change! You hate change. We all hate change. We all say we want to embrace it. And we really mean it. But, when it comes right down to it, it’s really uncomfortable, and we usually figure out some reason why it really isn’t necessary or it really is a bad idea. Then we don’t change, and it’s ok because we are more comfortable and we feel better.

Unfortunately, that famous management guru Peter Drucker pounded into me at NYU graduate school of business many years ago that the only job of management is the management of change. So, I’ve been hauling that boulder around for so long that it has become my passion.

Every month in this space we will be talking about the changes we are going through and identifying those champions of change who are making it happen.

My first week on the job, I was in NYC to listen to Jeff Weiss in a worldwide webcast (we had over 75 people participating from Paris to Beirut) talk about how Technical Analysis is more art than science. That made me feel good because I feel that management is more art than science.

The next day, I was in Palm Beach to meet Paul Desmond and “a few folks from the south.” More than 30 people from Miami to Atlanta showed up, and really made me feel welcome. I explained that I was definitely an expert on the MTA since I was more than 50 miles from home and less than 5 days on the job. However, by Saturday I was just hitting my peak, so it was down hill from there.

Seriously, as I’m sure you all know I have many more questions than answers right now, and I hope to be calling on every person in every region to get some of those answers, and humbly ask for your help.

In answer to our Treasurer Dick Dickson’s question, “what are we going to do first?” We discussed how we need to:

- Raise the visibility of the MTA
- Raise the Visibility of the CMT
- Raise the visibility of the MTAEF
- Get our members some of what they deserve

It is our 30th anniversary and with 60,000 CFAs, 38,000 CFPs and 7,000 STA (Securities Traders Association) members, there are less than 2,000 members of the MTA and the average CFA earns much more than the average CMT.

This is the “Golden Age of Technical Analysis” SO we may need:

- A little advertising
- A little public relations
- A little editorial placement
- A little regular fund raising for the MTAEF and
- A little professional management

Our staff is great but:

- Our annual directory is over 2 years old
- Our November IFTA Conference is not done
- Our committees are in some disarray

Our staff is a bit overwhelmed, we need to:

- Bring some order to the process
- Carry out the policies of the Board
- Administer the finance and reporting
- Make one- and five-year plans
- Provide assistance to some of the volunteer functions

In my third week I start auditing Ralph Acampora’s prep course for the CMT just so I won’t sound like a complete idiot when I talk about technical analysis.

The week after that I’m in Cincinnati to meet Ron Brandt and the folks from Ohio, and I’ll be meeting with the CEO of a large association like ourselves to discuss possible synergies.

The MTA is on the move, and in the words of John Brooks, we now have someone to blame. I’m jk@mta.org. Please let me hear from you.

Sincerely,
John Kirby,
Executive Director

P.S. WOW! The column to the right has two ads for NEW technical analysts from John Brooks and Jordan Kotick, two of our Champions of Change. If you have any interest, please send a resume. Let’s show them this is the BEST place to find new people.

MTA Directory Reminder

Please check your personal page on the MTA website to make sure that the information you want in the directory.

We cannot stress the importance of this, as the information for the directory will be taken from the website. Please do this ASAP.

LOWRY HELP WANTED

Lowry Reports, Inc. is in the process of launching a number of new exciting products over the next two months. The recent additions to our firm of Richard Dickson and John Brooks, both long time veterans of technical analysis, has allowed us to move in fresh directions and expand our services. As such, we are looking for technicians who are willing to grow with the firm and work at the side of our Senior Analysts. A general profile of candidates would be:

- Must be enrolled in, or have completed, the CMT program.
- Must have a minimum of two years working experience as a technical analyst.
- Must be willing to relocate to South Florida.

Please FAX resumes to Lowry OnDemand 561 799 3036 or EMAIL to jbrooks@lowryreports.com

All material will be held in strict confidence.

Paul F. Desmond, President

Technical Analyst - JPMorganChase

JPMorganChase is accepting résumés for the position of technical analyst to join their technical analysis team. Minimum three years experience needed, trading/trading floor background preferred, but not required.

Coverage will focus on FX but would also include European Fixed Income, Commodities and Energy Markets. The position requires a solid knowledge of the Elliott Wave Principle alongside other technical methodologies.

The applicant will service internal sales and trading and external clients in London. Communication skills are important as the role will be client focused. Exposure to all forms of media is essential.

Please forward covering letter and CV to Jordan Kotick, Vice President, JPMorganChase either via email: jordan.kotick@jpmorgan.com or by post JPMorganChase & Co. 270 Park Avenue, Floor 6, New York, NY 10017 by 30th of April

WANTED

Exhibitor Coordinator for the 2003 IFTA Conference

The MTA is looking for a dedicated person to locate exhibitors and organize the exhibit space for the IFTA Conference in Washington, DC in November. Criteria are:

- Must be able to spend the time it takes to locate, contact and secure exhibitors
- Must be organized and detail oriented
- Must be able to go to Washington for the Conference – arriving on Wednesday (the day before the conference begins)

Please contact the MTA office at IFTAconference@mta.org as soon as possible
developmental structure. Technical analysis has been drawn into the cycle of abuse. The problem is evident in the story of a technical indicator that has been labeled an “illusion” by several academics. To keep from impugning the reputations of some narrow-minded finance department chairmen, it won’t be mentioned by name. Let’s just say that it is an indicator with a 40-year track record of faithful service to the technical community. One of the reasons it has been labeled “more of a rearview than a front windshield” is that it is a contrary indicator that moves in the direction of the market and flashes buy and sell signals when at extremes. But academics have studied it as a rate of change and measured for its effectiveness in forecasting every corresponding change in the market. On this basis, they have declared its signals to be random. In failing to measure the data in a way that reflects technicians’ methodology, however, they have totally missed the point, which is what Mike Moody, a senior portfolio manager at Dorsey, Wright & Associates, once told the author of one of the studies.

“I asked him if he talked to any technicians,” Moody says. “He said, ‘Well, no.’ I said no one uses it that way and he said, ‘Yeah, I kind of knew that.’ Then I asked, ‘Did you try it the way technicians use the data?’ He said, ‘Yeah, it worked much better that way.’ Basically, he didn’t publish that because his department chairman was a random walker. He couldn’t publish it. He knew exactly what he had to do to get tenure.”

Here again, however, technicians put up little resistance. So a decade later, the indicator is still being impugned in behavioral finance textbooks. When I went to the source of the indicator and asked for his response to the charges that it was “useless,” he said he didn’t have one. After all, it’s a contrary indicator. If anything, being rejected by a bunch of pipe-smoking professors, validated what years of experience had taught him — the consensus is almost always wrong. It is certainly true, but technicians need to understand that the stakes are higher now. Social science is rolling their way. Moody says a new paradigm moves slowly, but it’s not stagnant. He notes, for instance, that the department chairman mentioned above has since embraced behavioral finance. “It’s happening, but it takes time,” he said. “It was 200 years from Aristotle to Ptolemy.”

And it was another 1,500 years to Copernicus. The difference between the slow progress of ancient Greece and the Dark Ages is contained in this quote from Jonathan Barnes’ biography of Aristotle: “His own researches were carried out in company, and he communicated his thoughts to his friends and pupils, never thinking to retain them as a private treasure-store. He thought, indeed, that a man could not claim to know a subject unless he was capable of transmitting his knowledge to others, and he regarded teaching as the proper manifestation of knowledge.”

It’s not enough to forecast accurately. If they can reign in their fierce independence, and train themselves to act as a community of scientists that are capable of transmitting what they know to the outside world, technicians can help create a new age of enlightenment. When I asked McGoun if technicians could be the ones to rescue financial theory from its intellectual abyss, he said it was quite possible. He said something similar happened a half century ago when businessmen were brought in to help lift the field of marketing to the level of a rigorous academic discipline.

“Right now, behavioral finance just isn’t working,” he said. “What they found out in marketing was that people were just a lot more complicated than they were able to break down in the classroom.” Marketing made headway as an academic discipline when the practitioners became involved. McGoun said behavioral finance reached a similar juncture. “I think the academics may be at the point where they are willing to listen and take these guys (technicians) more seriously.” McGoun and Frankfurter conclude their paper with the following note:

On a more hopeful note, just because the market for knowledge is inefficient in this way does not mean that it is inefficient in that it can be beaten in the long term. In a market for knowledge, this means false theories are allowed to masquerade as truths indefinitely. Now that BF has finally earned special sessions at finance conferences, special issues in modern finance journals, publication of popular books by respected authors, two new dedicated journals, and even the enmity of very distinguished critics, it may be able to avoid assimilation by modern finance, preserve an original identity, stake out its own territory, and build a new civilization. Perhaps resistance is not futile.

Perhaps, but as long as the gap between technicians and the academic understanding of markets continues to grow, the new era envisioned by Henry Pruden is unlikely to happen. There are many things technicians can do to close it. In a future issue, this newsletter will cover some of them. If you have additional ideas, please forward them to kevin@dorseywright.com so they can be included in the solution.

Peter Kendall is an MTA affiliate and the co-editor of the Elliott Wave Financial Forecast News

Website Review

www.Minyanville.com

Ok, here’s what we have; a 60s throwback bear named Boo, a well-groomed bull named Hoofy, Sammy the Snake, Snapper the Turtle and Daisy the Cow. Minyanville.com? What? Minyanville.com is the creation of Todd Harrison, a hedge fund manager and former columnist for TheStreet.com who wrote a popular Trading Diary for that Website. Harrison’s Trading Diary is the now the key element that drives Minyanville.com, and characters such as Hoofy the Bull are the imaginary figures he uses to illustrate his thought process, which he describes as “technically-oriented.” This Website is not about technical analysis, per se, but technical interpretation plays a key role in Harrison’s thought processes throughout the trading day. In addition to Point & Figure charts Harrison uses stochastic and bar charts to supplement his disciplined trading process, and his diary makes clear in real time throughout the day how these technical tools play a role in his decision-making. The diary alone is a terrific read for analysts who, if not actively trading the market, may find themselves occasionally lost in the gap between analysis and the reality of the trading floor.

Make no mistake; Minyanville.com is not an advice site. There are no recommendations to be found, nor will visitors find the specific analysis of financial markets that they are used to seeing on other market-related sites. Instead, the focus at Minyanville is on education and examining the process of trading the markets. In particular, Harrison’s Trading Diary illustrates for new and experienced investors alike how psychology influences markets on a daily basis.

In addition to the Trading Diary, Minyanville features daily market commentary from Tony Dwyer, an MTA Member and market strategist for Kirklin Holdings, and Kirklin’s Brian Reynolds on fixed income.

Although the site charges a small monthly fee ($10/month) for access to the commentary and Trading Diary, the soon to be launched education portion of the site, Minyanville University, will be offered for free. Harrison will announce soon the faculty lineup for Minyanville University.

Website: Minyanville.com
Content Focus: Education, entertainment, real-time Trading Diary
Cost: $10/month for the Trading Diary and market commentary; education portion free of charge

Newsletter Submission Request

Changings? Have an idea for a story? An anecdote to share? Advice for other MTA members and affiliates? We’d love to read them!

Remember the MTA newsletter is for you! Help us make Technically Speaking an indispensable part of your membership in the MTA. Please send submissions and ideas to editor@mta.org, or call Technically Speaking editor Kevin Depew at 804/320-8511 to discuss future story ideas.
Providing Context

It is hard to interpret daily market indicators without providing the context of previous readings and adding the perspective of how the indicator relates to the price index from which it is derived. DecisionPoint.com’s NYSE New Highs and New Lows chart (which is really good looking in color on the web site) is an example of how we approach the task of presenting information in a way that it can be quickly understood and interpreted. New Highs move up from the zero line and New Lows drop below it, and overbought or oversold conditions are immediately obvious.

We have charts of this indicator going back to 1966, and we have observed that New High peaks around 300 are most often associated with price tops, and important market bottoms are frequently accompanied by positive divergences of New Lows. But, of course, indicators can behave differently in bear market and bull markets, so it is important to study an indicator in historical context as well. Our charts can help with this — some of our historical indicator charts go back as far as 1926.

DecisionPoint.com is unique in the depth and breadth of the market indicator charts and other materials we provide. Our selection of market indicators, common and proprietary, is unmatched. The best part is that we calculate and chart them daily so you don’t have to.

Web site subscription is just $20/month. For a free trial contact DPAalert@aol.com

www.DecisionPoint.com
2003 Charles H. Dow Award Guidelines

Market technicians are invited to submit a paper and application for the 2003 Charles H. Dow Award for excellence and creativity in technical analysis. The Charles H. Dow Award is sponsored by the Market Technicians Association, Inc. (MTA), Barron’s magazine, and Dow Jones Newswires and will be given to the work that breaks new ground or makes innovative use of established techniques in the spirit of pioneering market technician Charles H. Dow.

This year’s Charles H. Dow Award will be presented at the IFTA Annual Conference in Washington, DC in November 2003 (hosted by the MTA). The winning author will receive a personal award and will be recognized in Barron’s magazine and on their website. The winner will also be invited to discuss the paper at the IFTA Seminar or at a monthly meeting of a MTA chapter. A perpetual plaque including the author’s name with those of previous recipients of the Charles H. Dow Award will reside at the MTA office in New Jersey.

The publication or a summary of it may be published in the MTA’s Journal of Technical Analysis, the MTA newsletter, the MTA website, and/or Barron’s magazine. Additionally, Dow Jones Newswires will make copies of the paper available to the public through various media. At the discretion of the judges, the authors of runner-up papers will receive personal awards. No cash award will be given to any award winner or runner up. Submission Deadline: Wednesday, July 9, 2003

Guidelines

1. Standards of Judgment
   A submitted or nominated work will be judged according to the following:
   a. The work is based upon the concepts of technical analysis.
   b. The work is either original or is a significant extension of an established work of technical analysis.
   c. The subject matter is substantive. Solid research and analysis are imperative.
   d. The work is practical and enhances the understanding of market action. A market forecast will not, by itself, be considered for the Award. The presentation of an analytical method or trading system is expected to include the results of applying the technique to specific past data according to generally accepted standards of testing.
   e. The strength and clarity of writing are superior.

2. Submissions of Published Works
   Papers written especially for the Award or works published between July 1, 2002 and June 30, 2003 may be submitted. There is no fee for submissions. Submissions are to be sent to Charles H. Dow Award, Market Technicians Association, 74 Main Street, 3rd Floor, Woodbridge, NJ, 07095.

3. Style
   The text must be a succinct and conclusive presentation of the subject. The charts, tables, and figures should be used to exemplify or to supplement the text and should not be the primary means of conveying the writers’ points.

   Papers:
   A submitted paper must not contain less than 1,500 or more than 4,000 words. A paper shall not contain more than 10 charts, tables, or figures total. Submissions must be printed on white paper (8.5" x 11" size) in black ink. Charts, tables, and figures should be placed in appropriate sections of the text. When it is not possible to do so, they must be presented on white paper (8.5" x 11" size). Charts, tables, and figures must be individually labeled in numerical sequence. They shall be submitted in camera-ready format and may be presented in color. Seven complete hard copies of the paper must accompany a submission. A copy of the paper saved on disk/CD must also accompany the submission. The preferred format is Microsoft Word.

4. Deadline
   The last day for receipt of publications is Wednesday, July 9, 2003. Entries received after that date may be accepted at the discretion of the judging panel.

5. Judging Panel
   The judging panel will include at least three past winners of the Charles H. Dow Award, selection preference given to the three most recent winners. The past winner of longest standing will rotate out of the judging panel each year to be replaced by the latest Award winner. In addition, the judging panel will include no more than one voting representative from each of Barron’s, Dow Jones Newswires, and the MTA. Members of the Board of Directors of the MTA, excepting the editorial board of the MTA Journal, shall not be eligible for the judging panel. The Chairman of the Award committee will be a non-voting member of the judging panel. No author shall ask for or receive assistance of any kind from a member of the judging panel.

6. Decisions of the Judging Panel
   Decisions of the judging panel will be made in the best interest of technical analysis. The judging panel’s selection and acceptance of a work will be final and without recourse for reconsideration either by the judging panel, Barron’s, Dow Jones Newswires, or the MTA.

7. Post-Award Publicity
   Barron’s, Dow Jones Newswires, and the MTA may publicize the award, its recipients’ names (but not necessarily their places of employment) and all or part of the winning publication or of runner-up publications. Recipients of the Award and runners-up may publicize their awards in an appropriate manner without undue enhancement.

8. Authors’ Copyright and Permission to Produce Copies
   The author of the winning paper and the papers that may be awarded certificates shall retain the copyrights to the papers, but the authors shall permit Dow Jones Newswires to produce and distribute copies in any medium of all or part of each paper. Dow Jones Newswires will bear the expenses of copy and distribution but will not remunerate the author.

9. Invitations for Submissions
   Award guidelines, including invitations for submissions, shall be published in the MTA newsletter prior to the annual deadline. The guidelines shall be placed concurrently on the MTA website. Invitations may be publicized in any other manner chosen by Barron’s, Dow Jones Newswires, or the MTA. Invitations shall be publicized in order to reach the largest number of potentially interested people.

10. Chartered Market Technician (CMT) Papers
    A paper submitted to the MTA to fulfill the requirements of the Chartered Market Technician program shall not be eligible for the Charles H. Dow Award unless the paper has been accepted by the MTA as a CMT paper prior to its submission for the Award.
IFTA Conference 2003 in Washington, DC

Preparations are well underway for the 2003 IFTA Conference sponsored by the MTA. The final agenda is being developed and will include:

- Speakers from the U.S. and abroad
- New ways to participate – day rates for those in the DC area
- Tours of DC
- Spouse/guest programs to exciting venues
- More exhibitors, new sources of information and international perspectives!
- CMT Levels 1, 2 and 3 Q&A workshops with the authors of the required readings
- Online and multimedia training courseware from the MTA
- Many new levels of sponsorship available to allow participation from individuals to corporations. Specifics may be obtained at iftaconference@mta.org

Here are a few:

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<th>EXHIBITOR</th>
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<td>MTA mem/aff or IFTA colleague</td>
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- Dinner Thursday | $1,500 |
- Farewell Dinner Saturday | $2,000 |
- Lunch Thursday, Friday or Saturday | $1,000 |

- Insert in Conference attendee packets* | $500 |

* at this level, a sponsor can insert one sheet of promotional material, market letter newsletter, CD or small brochure into the conference packet that is handed out to all attendees at registration. A sample of the promotional material must accompany the request and payment. Inserts will be limited.

Please watch the MTA (www.mta.org) and IFTA (www.ifta.org) websites for further information as it becomes available. To volunteer to assist at the Conference, contact the MTA office at iftaconference@mta.org

In honor of the MTA’s 30th Birthday, over the next few months, we are going to give you a history lesson. Here are a few more statistics - all the MTA annual seminars:

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<td>Colony Beach &amp; Tennis Resort</td>
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<td>Monterey Conference Center</td>
<td>Richard Yashewski &amp; Dick Elston</td>
</tr>
<tr>
<td>1985</td>
<td>Hilton Head, SC</td>
<td>Hilton Head Inn</td>
<td>Gail Dudack &amp; John Brooks</td>
</tr>
<tr>
<td>1986</td>
<td>Boston, MA</td>
<td>The Copley Plaza Hotel</td>
<td>Robert Simpkins</td>
</tr>
<tr>
<td>1987</td>
<td>Wesley Chapel, FL</td>
<td>Saddlebrook Resort</td>
<td>David Krell</td>
</tr>
<tr>
<td>1988</td>
<td>Scottsdale, AZ</td>
<td>Camelback Inn</td>
<td>Philip Roth</td>
</tr>
<tr>
<td>1989</td>
<td>Naples, FL</td>
<td>Registry Resort</td>
<td>Robert Prechter</td>
</tr>
<tr>
<td>1990</td>
<td>Orlando, FL</td>
<td>Stouffer Orlando Resort</td>
<td>Philip Erlanger</td>
</tr>
<tr>
<td>1991</td>
<td>Santa Barbara, CA</td>
<td>Red Lion Inn</td>
<td>Kenneth Tower</td>
</tr>
<tr>
<td>1992</td>
<td>Naples, FL</td>
<td>Registry Resort</td>
<td>John Brooks &amp; Phil Roth</td>
</tr>
<tr>
<td>1993</td>
<td>San Antonio, TX</td>
<td>Plaza San Antonio Hotel</td>
<td>Mike Epstein</td>
</tr>
<tr>
<td>1994</td>
<td>Wesley Chapel, FL</td>
<td>Saddlebrook Resort</td>
<td>Ned Davis</td>
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<tr>
<td>1995</td>
<td>Las Vegas, NV</td>
<td>Alexis Park Resort</td>
<td>Jack Cahn</td>
</tr>
<tr>
<td>1996</td>
<td>Marco Island, FL</td>
<td>Marco Island Hilton Beach Resort</td>
<td>James Bianco</td>
</tr>
<tr>
<td>1997</td>
<td>New Orleans, LA</td>
<td>Le Meridian Hotel</td>
<td>Mark Scott</td>
</tr>
<tr>
<td>1998</td>
<td>San Antonio, TX</td>
<td>Plaza San Antonio Hotel</td>
<td>Dodge Dorland</td>
</tr>
<tr>
<td>1999</td>
<td>Manhattan Beach, CA</td>
<td>Manhattan Beach Marriott</td>
<td>Linda Raschke</td>
</tr>
<tr>
<td>2000</td>
<td>Atlanta, GA</td>
<td>Westin Atlanta North at Perimeter</td>
<td>Samuel Hale</td>
</tr>
<tr>
<td>2001</td>
<td>Lincolnshire, IL</td>
<td>Marriott Lincolnshire Resort</td>
<td>Nina Cooper</td>
</tr>
<tr>
<td>2002</td>
<td>Jupiter, FL</td>
<td>Jupiter Beach Resort</td>
<td>Herb Labbie</td>
</tr>
<tr>
<td>2003*</td>
<td>Washington, DC</td>
<td>Capital Hilton</td>
<td>Keenan Hauke</td>
</tr>
</tbody>
</table>

*MTA host of IFTA Conference
Due to the loss of the MTA WTC offices on September 11, the membership directory is overdue for an update. The MTA is putting together an interim directory to be mailed by May 1, 2003 – containing only names/address/numbers of members and affiliates. The format will be a 8-1/2” x 11”, saddlewired. The MTA is accepting only seven (7) one-color, full page advertisements. Placement will be on a first-come, first-served basis.

A comprehensive directory will be published at the beginning of 2004. Advertisers who appear in the interim directory will receive preferential placement and rates in the 2004 Directory. The 2004 edition’s finished size will be 5-3/8” x 8-1/2”, perfect bound.

Advertising Rates for the 2003 Directory are based on the 3-column format of the directory, plus the covers. Ads must be in a single color only: IFC, IBC and Back Cover are PMS 5545 (green) – no bleeds. The four advertisements within the text pages are black – no bleeds. The sizes noted are the actual, printed and usable sizes. Rates are commissionable to recognized agencies.

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>Position</th>
<th>Size</th>
<th>Ink</th>
<th>1 x</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full page</td>
<td>Inside front cover</td>
<td>7-1/2” x 10”</td>
<td>PMS 5545 (green)</td>
<td>$500</td>
</tr>
<tr>
<td>Full page</td>
<td>Inside back cover</td>
<td>7-1/2” x 10”</td>
<td>PMS 5545 (green)</td>
<td>$500</td>
</tr>
<tr>
<td>Full page</td>
<td>Back cover</td>
<td>7-1/2” x 10”</td>
<td>PMS 5545 (green)</td>
<td>$500</td>
</tr>
<tr>
<td>Full page</td>
<td>Inside spread (2 ads)</td>
<td>7-1/2” x 10”</td>
<td>Black</td>
<td>$500</td>
</tr>
<tr>
<td>Full page</td>
<td>First and last pages (2 ads)</td>
<td>7-1/2” x 10”</td>
<td>Black</td>
<td>$500</td>
</tr>
</tbody>
</table>

Business Name
Street Address
City, State, Zip
Contact
Phone Fax
E-mail

Send the artwork in a .jpg or .tiff format to Barbara Gomperts: barbara@mta.org Submission deadline is the 15th of April.

Please check the ad type and mail this form with your check to: Market Technicians Association, Inc. at the above address OR mail/fax this form with credit card information to: 732/596-9392

- VISA
- MasterCard
- American Express

Name on Card $Amount
Card Number Exp.
Signature
NEW! Technically Speaking Advertising Rates

There are new multiple issue discounts offered - 10% savings on 6 insertions and 15% on 12 insertions - of the same size. For details on ad sizes and rates, download the Ad Rate Card from the MTA web site: www.mta.org  Technically Speaking is formatted in 3 vertical columns per page. Rates are as follows:

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>1x</th>
<th>6x</th>
<th>12x</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/9 page (Help Wanted)</td>
<td>$ 50.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1/9 page (1/3 of one column)</td>
<td>$ 75.00</td>
<td>$ 67.50</td>
<td>$ 63.75</td>
</tr>
<tr>
<td>2/9 page (vertical)</td>
<td>150.00</td>
<td>135.00</td>
<td>127.50</td>
</tr>
<tr>
<td>2/9 page (horizontal)</td>
<td>150.00</td>
<td>135.00</td>
<td>127.50</td>
</tr>
<tr>
<td>1/3 page (vertical)</td>
<td>200.00</td>
<td>180.00</td>
<td>170.00</td>
</tr>
<tr>
<td>1/3 page (horizontal)</td>
<td>200.00</td>
<td>180.00</td>
<td>170.00</td>
</tr>
<tr>
<td>1/2 page (horizontal only)</td>
<td>300.00</td>
<td>270.00</td>
<td>255.00</td>
</tr>
<tr>
<td>2/3 page (horizontal only)</td>
<td>375.00</td>
<td>337.50</td>
<td>318.75</td>
</tr>
<tr>
<td>Full page</td>
<td>500.00</td>
<td>450.00</td>
<td>425.00</td>
</tr>
</tbody>
</table>

Black and white ads only. Send ad artwork in a TIFF or JPEG format to barbara@mta.org and your payment to the MTA office in Woodbridge, NJ.

Imagine, all MTA’s Journal of Technical Analysis are Now Available on a Single CD

Fred Hillier and Bruno DiGiorgi have put together a fabulous CD of all 58 issues of the MTA’s Journal of Technical Analysis. It is indexed in several ways: by issue, subject, author, etc. and very easy and fun to use. It is a wonderful tool for anyone writing a CMT paper or for those of you who would love get rid of all those Journals which have been collecting dust these past 25 years. And, when you buy the CD, you can donate all your old copies to the new MTA Library.

The cost of this CD is only $95 for all members and affiliates. An order form is available to download on the MTA website: www.mta.org

Attention CMT Candidates
Registered For April 25, 2003 Exams (All Levels)

As mentioned previously, you will be receiving an exam site ticket, and you MUST bring this ticket along with photo ID and #2 pencils (Level 1); #2 pencils and pens (Level 2) and pens (Level 3) to the exam site. Because you will not be allowed to take the exam without this ticket, please be on the lookout for it—they should go out in early April. If by (U.S.) tax day, April 15, you haven’t received this ticket, please email cmt@mta.org. Tickets include time of exam and exact site location.

MTA Business

2003 Calendar of Events

April 8  Boston
Monthly Chapter Meeting. Speaker: Phil Roth, Miller Tabak+ Co., Making a Market Forecast with Supply/Demand & Sentiment at MIT, Sloan School, Building E51, Room 345, Cambridge. $10 MTA/$20 non. For reservations/info: chuck@trendadvisor.com

April 11 & 12  Woodbridge
Friday - Party to meet John Kirby, 6-8 pm. Saturday - Summit meeting. 8 am for continental breakfast, meeting 8:30 - 5.

April 14  New York
MTA monthly meeting at Baruch College – with speaker: Phil Erlanger, Erlanger Research. To attend the virtual e-meeting, contact tom@mta.org

April 22  New York
SIRE monthly meeting at the Princeton Club. Contact Richard Suttmeier at rsuttmeier@josephstevens.com

April 23  Chicago
Monthly chapter meeting. Meetings are usually the third Wednesday of each month. Contact Ross Leinweber: rleinweber@lakeshoretrading.com

April 24  Atlanta
Monthly chapter meeting. Meetings are usually the last Thursday of each month. Contact Tim Snavely: tim_snavely@rhco.com

November 6-9  Washington, DC
MTA hosts IFTA Annual conference at the Capital Hilton Hotel

Don’t forget about the calendar on your home page on the website. If you are traveling near one of the above regional chapters and are willing to speak to the group, add your name to the travel list.

April 15 is the deadline for materials for May newsletter. Send all contributions to editor@mta.org

Summit Meeting at MTA Office in Woodbridge, NJ

Party
Friday night April 11, 6-8 p.m.
Meet new Executive Director, John Kirby

Summit Meeting
Saturday April 12
8 a.m. for continental breakfast
meeting 8:30 a.m. - 5:00 p.m.

Please RSVP to shelley@mta.org as soon as possible.
More details will be sent to those attending, such as agenda, hotel accommodations, etc. All MTA members and affiliates are invited.
Market Technicians Association, Inc.
74 Main Street  •  3rd Floor  •  Woodbridge, NJ 07095

Return service requested

Market Professionals Managing Risk

Incorporated 1973

CMT is a service mark of the Market Technicians Association, Inc.