Upside Ahead?
New Long-term Signal Suggests Rally Since March May Be Just Beginning

Tony Dwyer & Michael Welch

We used a combination of classic panic and thrust momentum indicators for the S&P 500 (SPX) monthly chart going back to 1970 to generate a long-term “buy” signal. This long-term buy signal was initiated in June and suggests the SPX could rally nearly 9% over the next 4 months and potentially greater than 30% over the next two years. This signal is not based on theoretical assumptions, but historical precedent since 1970. It focuses on the real returns after a pronounced period of weakness is culminated by climactic selling pressure, which is then followed by a buying panic strong enough to change the long-term thrust of the market. The signal suggests the S&P 500 could see prices of 1075 by early September and 1250 or higher by the middle of 2005.

A Powerful Long-term Buy Signal - What Is It?

In a world overly focused on quarterly performance, we wanted to step back and take a longer perspective given all the economic, earnings and geopolitical crosscurrents. In doing so, we noticed a very clear pattern when coupling a selling and buying panic, and a 15-year monthly chart of the (SPX) overlaying a 14-period Stochastic Oscillator.

Since 1970, when the SPX encountered action weak enough to cause the overbought/over sold Stochastic Oscillator to cross below 40 followed by a selling panic, and then reversed substantially enough to get a buying panic followed by the oscillator moving back through 40, it has been an extraordinarily accurate signal for further gains - normally significant in nature.

Stochastic Definition. The Stochastic Oscillator is formula based and compares where a security’s price closed relative to its price range. The aspect we found most surprising was the average gain AFTER the oscillator reached 80 (overbought). Most view an overbought market in a negative way when it is not always the case. In fact, using this indicator, overbought gets a whole lot MORE overbought. The average gain from the generation of the signal to the price peak before the signal was negated by the oscillator moving back through 40 was 54.19% in 26 months. Even if you take out the last signal gain of 230%, the average gain was 28.99%, from initiation to deletion of signal. In other words, most of the gains came after the overbought reading of 80. The worst case move from signal to price peak was a 15.5% gain in 1981.

As is the case using any indicator, if there is a beginning, there must be an end. We used the first 14-period stochastic move below 40 as the eventual exit point. This produced an average return of 37.86% over 33 months. The worst case was a gain of 3.45% over 16 months and if you take out the best signal performance instance of +183.3%, the average return of the other 7 signals was still 19.93% over an average of 26 months.

% CHANGE FROM INITIAL BUY TO PEAK

<table>
<thead>
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<th>Signal Price</th>
<th>Peak Date</th>
<th>Peak Price</th>
<th>%chg</th>
<th>Time (in mos)</th>
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<td>27</td>
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<td>35.19%</td>
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% CHANGE FROM INITIAL BUY TO SELL*

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<th>Signal Date</th>
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<th>Sell Date</th>
<th>Price</th>
<th>%chg</th>
<th>Time (in mos)</th>
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<td>5/24/73</td>
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<td>30</td>
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<td>3/24/75</td>
<td>81</td>
<td>5/19/77</td>
<td>100</td>
<td>23.46%</td>
<td>26</td>
</tr>
<tr>
<td>5/19/79</td>
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<td>5/16/80</td>
<td>107</td>
<td>9.18%</td>
<td>24</td>
</tr>
<tr>
<td>6/17/80</td>
<td>116</td>
<td>10/15/81</td>
<td>120</td>
<td>3.45%</td>
<td>16</td>
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<td>10/14/82</td>
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<td>152</td>
<td>12.59%</td>
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<tr>
<td>8/8/88</td>
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<td>2/4/91</td>
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<td>183.30%</td>
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</table>

*Stoch move above 40 then ultimately below 40

Near-term Implications: This signal uses long-term data, but has near-term implications. Each time a “buy” signal has been generated by a move in the Stochastic Oscillator above 40, the Stochastic went to 80. That initial thrust in the Oscillator generated an average gain of 8.79% over the ensuing 4 months. The worst case “initial thrust” scenario was a gain of 3.7% in one month after the initiation of the signal. There has yet to be a negative return using the S&P 500 monthly data after the combination of panic sell and buy days followed by a 14-period stochastic move above 40. There were instances of temporary pause, but the Oscillator went from 40 to greater than 80 every time.

% CHANGE FROM INITIAL BUY TO SELL*

<table>
<thead>
<tr>
<th>Signal Date</th>
<th>Signal Price</th>
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<th>%chg</th>
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<td>77</td>
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</tbody>
</table>

*As provided by Lowry  **4 buy panic days incl.

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From the Desk of the Executive Director

More Benefits Please

MTA Insurance Program • MTA Career Center

How about an MTA insurance plan? 36% of the people who answered our member survey said they wanted a health insurance program. Why don’t we have one? We have 2000+ young, well-educated, well-paid people in this organization. That seems like the right profile for any good insurance company to give us a great quote.

Unfortunately, that is not the case. Because the MTA has 2000+ members rather than employees, the insurance companies employ a nasty little phrase called “negative selection”. That means that since the participation in the plan would be voluntary, the insurance companies believe that only those people who could not buy insurance elsewhere would join the plan and they would end up with a group of poor risks. Of course, that is not the case and they should rate us on those people who actually sign up, and there is currently legislation in congress to change this discrimination, but in the meantime, what can we do?

Well, we have good news. Thanks to a contact made through Fred Meissner, our new President, we have found the insurance agent who writes the insurance plan for the 38,000 member CFP organization in Denver. The agency provides them, and we are currently in negotiation for them to provide us with an insurance plan that will include healthcare, long term care, Errors and Omissions insurance and term life insurance.

The agency is licensed to write insurance in almost every state in the US. From a link on our website, they will custom form a plan for us that will assure our members that they will get quotes on the best insurance alternatives available to them on a nation wide basis. Please understand, this is not a true “group” plan. Those do not exist. However, for those of us having a hard time getting insurance, or knowing how to get the right quotes, we will now have an organization working for us, who knows our profile, and is able to get us the best rates available anywhere. Also, when true “group” insurance becomes available to associations, we will have a track record that will make us attractive. The CFP organization has had this plan for several years, and apparently they are pleased with the results. We will keep you informed of our progress.

More good news. How can we help members find new positions? We do have a placement committee, but, many of you have said, you need something more. We are currently in negotiation with the people who supply the “job board” to AIMR. This will be, in effect, an “MTA Career Center” From a link on our website, it is a place where your resume can be posted, where employers can post available positions, where you can receive job counseling, have your resume critiqued, have your resume written if necessary and get career coaching, advice on salary negotiation, and learn how to prepare yourself for advancement.

Since it is on the web, this will be a world wide service. We will market the “MTA Career Center” to employers as the place to find the best people. These two issues are still being discussed with the Board.

By the way, FYI. There has been some talk recently that MTA member personal information is for sale. Please be assured, that is not the case. Your private information is secure. The only information we would ever supply may be labels for vendors at our seminars to provide their information to those who could not attend or perhaps to Barron’s when they offer us special support for the Dow award. However, if members do not want non MTA mailings, they will, of course, be given the opportunity to opt out of those offers.

Cordially,

JK

Newsletter Submission Request

Changing jobs? 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
From the President
Greetings to all MTA members and affiliates. I have been your new President for a few weeks now. This is a turbulent time in our history, with some controversy and certainly some growing pains.

I have spent the last few weeks talking to members and affiliates from all over the country trying to get a feel for problems and concerns. One of the biggest problems I have seen is that there has been a lack of communication, and one of the reasons for that has been the lack of a proper venue for communication.

To respond to this concern, I have created the President’s Forum on the MTA website. This is open to members and affiliates. Just sign in to your personal page, and look down the column on the left, click the button and you are on! You will see various topics being discussed. If you would like to have me create a new topic, please click on Welcome! And add it in. We want your feedback and dialogue. In addition to the Forum please feel free to contact me directly, if you choose.

We are looking at adding some significant member benefits, and will happily accept ideas for more of these – if you have suggestions, please send them to John Kirby at jk@mta.org.

Registration for the IFTA Conference, hosted by the MTA, is open on the Website. This looks like it is going to be a great event with some fabulous speakers. I look forward to seeing you all there!

Last but certainly not least, I would like to thank all of the people who have volunteered and are serving the organization. We need you and your contribution!

Best regards,
Fred Meissner, President

An Advertising Opportunity for all MTA Members and Affiliates

This is a terrific opportunity to advertise in the special section Barron’s magazine is setting aside for the MTA Charles H. Dow Award winning paper, an annual collaboration with the MTA, Dow Jones and Barron’s.

The November 10th issue of Barron’s will also be at the IFTA Conference in Washington, DC on Saturday morning where will be seen by technical analysts from all over the world.

Call Ellen McGinty at Barron’s and be one of the advertisers seen by millions around the world in a special section devoted to technical analysis - what could be better?

The specifications, deadline and ad costs are below.

Issue Date: November 10, 2003
Close Date: October 27, 2003*

This fall, Barron’s magazine will publish the winning entry for the 2003 Charles H. Dow Award. The Award is presented annually by the Market Technicians Association, Inc., (MTA) to recognize the paper that breaks new ground or makes innovative use of established techniques in the field of technical analysis.

Barron’s offers MTA members, its affiliates and other technical associations a great advertising opportunity to reach our interested and active investing audience! Quarter-page and half-page advertising spaces are now available to run along with the Charles H. Dow Award-winning paper. Under a special advertising banner, these ads will appear in Barron’s November 10th issue. This unique advertising section is part of Barron’s Classifieds Section that offers our readers the best services that technical analysts, portfolio managers, traders, investment advisors and market letter writers have to offer.

Always seeking value, Barron’s readers spend over two hours with the issue each weekend, poring over each article and advertisement and taking action on the information they find there.

So, chart your progress in our pages! To reserve space, call Ellen McGinty at 212-597-5913 today.

* 12PM EST Materials and Insertion Order

Units and Rates

1. Half page vertical 10 1/8” x 6” $7,488
2. Half page horizontal 4 13/16” x 12” $7,488
3. Quarter page square 4 13/16” x 6” $3,744
4. Eighth page 4 13/16” x 3” $1,872

DEADLINE: OCTOBER 10
CAPITAL GAINS
Profiting from Global Expertise
INTERNATIONAL FEDERATION OF TECHNICAL ANALYSTS, INC.
16th Annual Conference
November 6-9, 2003
Capital Hilton Hotel • Washington, DC USA

MTA “Charles H. Dow Award” Special Advertising Section

An abstract of the winning paper will be published in Barron’s magazine on November 10, 2003. MTA members are invited to advertise in the special banded advertising section accompanying the abstract.

For more information on this special opportunity, please call Ellen McGinty at 212-597-5913.

Market Technicians Association, Inc.

Announcing the 2003 Charles H. Dow Award

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Market Technicians Association, Inc.
INITIAL THRUST AFTER SIGNAL - STOCH 40 UNTIL 80

<table>
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<tr>
<th>Date</th>
<th>SPX Price</th>
<th>Date</th>
<th>SPX Price</th>
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<th>(in mos)</th>
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<tr>
<td>6/3/2003*</td>
<td>972</td>
<td>7/23/03</td>
<td>989</td>
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* to date since signal
Avg.     8.79%  3.3

Is the S&P 500 already up too much from the low?

Conventional wisdom holds that when prices are up sharply, the next move should be down. History shows this may not always be the case. The average move up from the monthly low BEFORE the “buy” signal was generated was 15.86%. In fact, the market was up the better part of 20% ahead of the initiation of the average “buy” signal. In other words, the more the market was up quickly, the more it ultimately rallied. Again, there has yet to be a “bad” signal.

RAILY FROM LOW TO BUY SIGNAL

<table>
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<tr>
<th>Low Date</th>
<th>Low Price</th>
<th>% Move before Signal</th>
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<td>73</td>
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</tr>
<tr>
<td>12/20/74</td>
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<td>12/8/87</td>
<td>234</td>
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<td>6/30/94</td>
<td>444</td>
<td>3.83%</td>
</tr>
<tr>
<td>9/30/02</td>
<td>815</td>
<td>19.26%</td>
</tr>
</tbody>
</table>

Avg.         15.86%

It is what it is.

We, ourselves could come up with countless reasons to explain the returns away and ignore what it says - thinking that it is different this time. Everything in the financial markets changes - EXCEPT human nature. To show this we included a chart that was done years ago and provided by our great friend Harvey Eisen of Bedford Oak Capital Management, LLC. It is the psychology of every market cycle and if you look closely on the left side of the screen, you might see some familiar comments in I, II, and III. Please pay special attention to number III.

In sum, history suggests the strength of this market should be different from the prior rallies over the past four years because there was a sell and buy panic powerful enough to caused the 14-month Stochastic Oscillator to move back above 40 after dropping below it. We would advise those who read this piece and look at the results not focus on what it is, but instead focus on what it says. What it says is that at worst there is small upside from here...and at best...well, a whole lot more.
Anthony Labruzza Initiative

Thanks to the efforts of volunteer Anthony Labruzza we are now starting to look at the archive of documents in the Foundation for the Study of Cycles, which constitute a sizeable collection of materials.

When we first received the Foundation donations, the team at Woodbridge quickly incorporated all the books available along with our regular on-going member donations. However there has been little time to review the thousands of individual collections of journals, magazines, research studies and papers, charts as well as various other documents stored in filing cabinets and our stacks.

Along with numerous magazines and periodicals from the Foundation, Anthony’s challenge is to plow through the immense collection of individual papers, articles, charts and related documents amassed by the Foundation over its 60 year history and start the process of determining value. Once we have a good understanding of what there is in these files, decisions can be made as to how best to offer this information to our membership. Anthony has also just begun the task of going over all the archival collections of newspapers and journals donated by our members and affiliates.

Along with constraints on space, the building at 74 Main Street is now 133 years old and although it is structurally solid, there are limits its weight-bearing capacity. Since books are heavy, we must always keep in mind these constraints on our capacity.

Working on his spare time, Anthony would appreciate all the volunteer help he can get. Anyone interested in joining Anthony in this important task is asked to call Maria Wittek at 732-596-9399. Every contribution in terms of time spent on this worthwhile initiative will result in a whole new resource becoming available to our membership sooner than later.

Latest Interns Join Woodbridge Team

Woodbridge has welcomed our latest crop of interns. Urusla Joyner and Chanele Joines are busy expanding on the efforts of the past interns. Both are students at Berkeley College in Marketing and Systems Management. Welcome to Urusla and Chanele!
Who was Bernard Baruch?
Artem Kozyr

“A speculator is a man who observes the future, and acts before it occurs.” - Bernard Baruch

Editor’s Note: Just about everyone has heard of Bernard Baruch, the famous speculator and advisor to presidents. But I include myself among those who perhaps know more about the Baruch myth than the man’s actual life. MTA member Bruce Kamich, who teaches a course on technical analysis at Baruch College, recently forwarded to me an article on Baruch written by one of his students.

“This article on Bernard Baruch was written by one of my undergraduate students, Artem Kozyr, at Baruch in the course of my spring semester teaching technical analysis (Finance 4777). This was the first time an honors student had taken the class and as such I had to make the course a bit more difficult. As part of the coursework Artem had to read texts by John Murphy, Martin Pring, my book, as well as the booklets by Alan Shaw. In addition he had to write a paper on a subject mutually agreed upon. We decided on writing about Baruch.”

It’s a nice introduction to Baruch and those who are inspired to read a bit more about his life may be directed to Jim Grant’s book “Bernard M. Baruch: The Adventures of a Wall Street Legend” - Bruce Kamich, CMT

Bernard Baruch was a highly regarded man whose accomplishments were many and varied. His contributions to our country, to the countless leaders that he advised, to all the students that he allowed to receive an affordable education, and all the strangers that he gave advice to on his fabled bench, however, are not the most interesting facets of his life; it is his early years that make him so riveting. Interestingly, Bernard Baruch was a legendary man but was frequently made out to be more powerful and richer than he really was.

Raised by a German immigrant family, born in South Carolina in 1870, Baruch learned how to shoot a gun and enjoy the southern ways. Baruch’s father, who was a renowned surgeon, later on would make many civil contributions. His family decided to moved to Manhattan when he was in his early teens. Yet this Manhattan was not the glorious metropolis Manhattan is today. Back then it was much different. Sewage was simply dumped into the nearest body of water, a local blacksmith was easy to find, and Brooklyn was a city on its own. It was just as Baruch moved to the city that powerful men such as Rockefeller and Morgan were building Manhattan up.

Just like many other students, Baruch had no idea what he wanted to be. He was temped to be a doctor, but the field didn’t intrigue him enough. The College of the City of New York, which stood on Lexington Avenue and 23rd Street in Manhattan, was a good place for him to find himself. Like many who went there, Baruch could not afford an expensive college education. He went on to achieve decent grades with most of his interest in languages.

After graduating from college, Baruch toyed with the idea of being a doctor like his father, but he realized that he always looked up to his father’s clients more than he did his father. They were wealthy, had the things he wanted, and worked on Wall Street.

Starting small as an assistant, he earned $3 a week and only dreamed of ever making as much as a few thousand a year. While learning a great deal, Baruch was restless and one day decided to leave for Europe in 1890 with his father. Each day he would question his future and the field to which he would commit himself. When he returned, he decided to follow the craze of the gold rush and left for Colorado. Striking it rich in mining wasn’t within Baruch’s grasp, since he saw many try and fail. Baruch found a way to support himself by gambling and boxing for money. At the roulette tables, he realized that the house always won large bets and let the small ones play out. Most of Baruch’s living came from placing small bets on the roulette table. His boxing career, on the other hand, earned him some recognition but not what he wanted. He decided to go back home.

In his return to Wall Street, Baruch found himself thirsting for knowledge. He aggressively read the financial books of the time, and became known for his encyclopedic memory. This characteristic of Baruch’s made quite an impression on a few people in the firm for which he worked, A. A. Houseman & Co. He began to build a level of trust with his employers, which was enhanced by chance when the owner of the firm wanted to place a bet on a horse he owned. The owner didn’t want to raise any suspicions with a large bet so he asked Baruch to place the bet for him; the horse won and Baruch walked away with pockets full of money.

The owner decided to make Baruch into a broker. The market then was somewhat different from today’s. Margin requirements were only 10%, which means an investor could buy $1000 worth of stock by borrowing on margin and using $100 of one’s own money. Also, stock gains at the time were tax-free. The market was very volatile and uncertain. Some stocks ran from $75 a share to a $1000 within days. Insider trading was very common and over-hyped news articles allowed the wealthy to get out of bad companies at a profit while dumping shares into the hands of uninformed dupes. Fortunes were often made as fast as they were shattered. Even well known market players, such as Morgan and Rockefeller, tended to place bad trades worth millions.

Baruch believed that he could take high-risk trades on margin to make his fortune much quicker. This highly speculative strategy produced mostly negative results. Still, he continued to make daring moves in the market. Finally, he caught a break when he invested $300, which bought him $3,000 worth of the American Sugar Refining Company. This investment was one of the greatest triumphs of Baruch, landing him the staggering amount of $60,000. He ended up giving away most of it to his father and spending the rest on a seat on the New York Stock Exchange.

Once again, his funds were running dry and this time his hope was not to make just a few thousand a year, but to make a million. In these days before the SEC, many of his trades were based on insider information that was passed on to him. In one situation, an acquaintance at the New York Times gave him a “hot tip” on a story that was going to be printed the next day. During that time the Spanish-American War was progressing and apparently there was one battle that would be a very good sign for the American economy. The Chief Editor of the New York Times told the owner of the firm where Baruch worked that a battle had been won by the US over the Spanish. The owner called Baruch right away on Sunday, July 3rd, which caused Baruch to travel from his vacation home to the office at 2 a.m. The plan was to buy in the London markets on Monday and sell in the US markets for a higher price on Tuesday. Since the markets in the US were closed on Monday, this was a perfect plan. Finally on July 5th as the news came out, Baruch’s firm made a nice profit for themselves and their clients.

As Baruch’s success grew, he spent lavishly on buying houses, a car with a driver, and a stable of horses. The newspapers always portrayed Baruch as richer than he really was. However, in one deal, Baruch was even called a mad genius. The hype was definitely there and Baruch enjoyed it. Also, since he vacationed frequently, on the days he was gone the floor traders always thought the market would have very little volatility because Baruch was out. Everyone thought he was larger than he really was because he kept less and less portion of his wealth in the market as he became richer. So, when he needed more cash and it looked like Baruch was in trouble, he would just bring more in, shocking everyone especially his enemies.

While Baruch did very well for a broker, he also had spectacular failures. His trades in railroads, sugar, and mines flopped almost as many times as they succeeded. Sometimes he would use someone else’s expertise to succeed. It was typical for Baruch to work with a specialist in the field as Baruch would sell the idea to others and the specialist would brainstorm about the investment. The falling market was one area where Baruch succeeded extremely well. It is said that Baruch made most of his fortunes in shorting the market.

The 1920s were the most interesting speculation period for Baruch, as many know it was in 1929 that the great depression came about. His autobiography states that he sold out in time for the market crash. But there is a lack of proof, since old documents are missing, but from whatever information that could be gathered, historians suggest he did not recognize the fall of the market. His optimism in the industrial renaissance failed him. As Black Thursday came about, the powerhouse banker Morgan and others started to buy up shares on the New York Stock Ex-
change floor. Baruch also bought stock and kept on buying as the market kept on falling. Optimism was rising as the market tumbled and there seemed no end to Baruch’s purchasing.

Baruch is today well known as a presidential adviser but his progression into politics was a gradual one. He was once invited to the Democratic primary and it was there that he met Woodrow Wilson. Baruch had completely different views than the future President did. Yet it was Wilson’s personality that captured Baruch’s attention. For example, Baruch wanted tariffs because of his holdings in a sugar company, Wilson believed otherwise. Also, Wilson believed in breaking up monopolies for the good of business, Baruch didn’t really mind them until he met Wilson. The truth was, Baruch met an honest politician who was raised in the South, just like Baruch was, and felt strongly about his issues. Together they would rise to create the League of Nations and lead the world in ending WW1.

There were many financial contributions that Baruch made to the Democratic Party, even after Wilson left the presidential seat. Baruch also had a strong influence over President Franklin D. Roosevelt. Not only did he advise FDR on financial matters, but also on the members for the many government committees. During WWII, political pressure kept FDR from placing Baruch on the new War Resources Board, which did exactly what the War Industries Board did in WWI. Even though Baruch’s ideas would have worked more ideally if he acted directly, FDR still asked for a lot of advice.

The somewhat mythical Baruch was at times called the Park Bench Statesman. He got this title as he was spotted several times in Lafayette Park of Washington D.C. and Central Pak of New York City. Supposedly he did some of his best business. Baruch also bought stock and kept on buying as the market kept on falling. Optimi

Help Wanted

Title: Fundamental Equity Analyst
Job Order: DM130-001-111
Location: Midwest
Responsibilities: Midwest-based entrepreneurial money management firm is in search of a Fundamental Equity Analyst with a proven and verifiable track record of accomplishments to work with its growth team to provide analytical coverage for Asia, mainly the Greater China region. The analyst will participate in all aspects of the investment process and will be a Generalist focusing on several sectors, including, but not limited to, Technology, Transportation, Retail and Cyclicals. The analyst will provide direct input into the stock selection and portfolio management process. This position requires the ability to develop creative country, currency and interest rate and sector perspectives that lead to unique investment opportunities.

Essential duties and responsibilities will also include: Conduct industry and company specific comprehensive fundamental analysis, including in-depth financial statement analysis; Provide timely and meaningful written research summaries and/or reports including country overviews and buy/sell recommendations; Present overviews and investment recommendations to the portfolio management team; Identify company specific and industry trends; Generate investment recommendations and recognize investment opportunities; Participate in new business development, client meetings and presentations; Participate in and attend meetings and conferences with companies and analysts.

Experience: 3 to 5 years prior fundamental equity research experience with strong decision-making skills. Experience in fundamental company valuations and stock selection. Strong quantitative and qualitative analytical skills.

Excellent knowledge of finance and accounting. Strong research, writing, data analysis and collaborative skills. Comprehensive understanding of financial modeling and analysis. Excellent communication and interpersonal skills. Ability to adapt quickly and work well under pressure in a fast-paced, challenging environment. Ability to effectively organize, monitor, and analyze complex data in a high volume environment.

Individual must be able to work both independently and as part of a research/investment team to identify potential opportunities and exploit inefficiencies in the marketplace. MBA and/or CFA Charter Holder

Compensation: Depends on experience.
Contact: Gregory Pasieka
Brokerage Consultants Inc.
312/460-8222 x112
www.brokerageconsultants.com


Karl Wagner CMT

If anyone would like to receive monthly e-mails which update the performances or track records of members of the Model Portfolio Performance Group, just send an e-mail request to my e-mail wag_karl@hotmail.com. There is no obligation and no charge.

The Model Portfolio Performance Group has been running now for 18 months. It is a not-for-profit Technical Analysis group composed of three CMT’s from the Market Technicians Association and ten members of the Canadian Society of Technical Analysts. Members are asked to submit quarterly percentage performance records of either stock portfolios using “real money” or hypothetical, along with their buy and sell disciplines, using Technical Analysis applied and not theoretical.

Each member has found that this is a useful method to explore new concepts of technical analysis as well as to learn which techniques of Technical Analysis works for him/her.

It is not necessary to attend the monthly meetings as all reporting is done by email.

Attention ALL CFA’s

We want to be sure and include your CFA designation after your name in the database. We would like to have a full count of CFA’s within our membership. If you have not already let us know you are a CFA, please let Shelley at MTA know: shelley@mta.org or 732/596-9399 x202.

You can also make this change in your record yourself by going to your personal home page, click on View Personal Record, then Update Personal Record, add your CFA and SAVE.

Frequently Asked Questions

We are still putting together the website Frequently Asked Questions (FAQ) but in the meantime, here is one of the most FAQ: Can I change my website password? Yes you may. Go to your personal home page, click on View Personal Record, then Modify Password, put in the new information and SAVE. The password can be 2-10 letters and/or numbers (lower case on the letters).

Have you been quoted in the press?

The MTA PR department wants to know. Please contact barbara@mta.org with the information.
A Visit to the MTA’s Hi-Tech San Diego Nerve Center

What you are looking at on the right of this picture are the very new brains of the MTA! We have recently upgraded our server to significantly improve our data storage and transaction capabilities. Located in a hi-tech park-like setting in San Diego, the facility holds our own dedicated machines in a co-location set up. We are currently planning to have a second location for back up in our Woodbridge facility.

Standing beside the “Brain of the MTA” is the proud father of the MTA database, Len MacDonell. Since all of our facts and figures are entirely on-line the requirement for the continuous 24/7 operation of our server is critical. The space-age facility is very impressive as is the way it is organized.

New Member Benefits Added

Tom MacMahon

In our on-going efforts to provide the maximum membership benefits possible, we are finalizing the details of several additional membership benefits. These discounts have been awaiting final agreements and negotiations surrounding the details of their provision and delivery.

The following benefits are due shortly to be added or activated in the private members home page:

- The Wall Street Journal; Trader’s Magazine; Metastock, a multiple securities/multiple system testing for the most advanced analysis imaginable. Plus, you also get more comprehensive system test reports and more customized testing scenarios; Barrons On-line; Neovest: direct access technology designed to significantly improve the performance of hedge fund and money managers, brokers, investors and active traders; Q-Charts, a trading package for the active trader; Adyfile, a Financial Data Software offered free to MTA members and affiliates through to the end of the year

- We again ask any member or affiliate for their suggestions and recommendations on future benefits which we will be happy to pursue and where possible, add to this growing list.

Tom MacMahon, Marketing Manager, MTA, 732/596-9399, tom@mta.org

Position Wanted

Experienced technician seeks opportunity

Specifics of my background include:

- 20 years experience in the markets, the last six of which were serving as the lead/publishing Technical Analyst for three sell side broker/dealers.
- Have published well over 1,000 individual research pieces, and my calls have been consistently outstanding. Track record, research pieces & full length media interviews can be viewed at: www.mikehurley.com.
- Skilled in all areas of technical analysis, and have a CMT. Specialty is with market internals. Please see my article in the July Stocks & Commodities for details. Was also featured/interviewed in the November 1999 Technically Speaking.

Would like to find a focused, performance based group who is interested in a highly motivated self starter who can add value and fresh ideas from day one.

All inquiries and referrals greatly appreciated.

Mike Hurley, CMT
775/823-9233
mikehurley@sbcglobal.net

Exciting CMT/DITA Prep Workshops in Washington

Anyone studying for one of the 3 levels of the CMT should try their best to attend the 2003 IFTA Conference in Washington from Nov 6-9, 2003. Arrangements have been made for most of the authors of the recommended readings to be available during the Conference.

What this means is that on Friday, from 1:45pm until 5:00, CMT candidates who are registered at the conference will be able to sit down with the experts who wrote the books and discuss related topics, have ideas for papers reviewed/critiqued, get clarification on TA issues and have questions answered by John Murphy, Martin Pring, Connie Brown and Perry Kaufman.

As well, we hope to see other distinguished Technicians join their colleagues at these forums and offer their input to help further enrich the discussions. Here is a golden opportunity to confirm and solidify your understanding of TA just before the CMT exams start. Don’t miss it!

CMT Exams are Scheduled for November 2003 and May 2004

CMT Level 1 exam will be given on Saturday November 22. This is the first time that Level 1 will be offered twice a year.

Register online through the MTA website, deadline October 17. If you did not pass CMT 1 in April 2003 or if you registered but were not able to take the exam, this exam date is available to you as well, just be sure to register since no one is automatically signed up for an exam.

If you pass CMT 1 in November, you will be allowed to take CMT 2 in May 2004.

However, you can’t register for CMT 2 until we/you know that you have passed Level 1. Realistically, expect results in early January from the November 22nd exam.

Also CMT 1, 2 and 3 next exam date is Saturday, May 22. Registration for May will start in late October. Study materials will be ready at that time.

East Meets West? Introducing a New Class: Fusion Analysis

1-10 December 2003 • 5:30 to 8:00 pm
NY Institute of Finance Headquarters
$1149 • Instructor: John Palicka, CFA, CMT

An increasing number of portfolio managers have realized that fundamental analysis alone often does not make the best investment approach. They have increasingly included the benefits of technical analysis. Also, the volatile trading markets have focused increasing attention on the proper blend of fundamental and technical analysis for a broad array of investors with various time horizons. Some call this new popular trend – fusion analysis. This workshop reviews some of the basic tools of fundamental and technical analysis. It will be geared mostly for the equity investor, but will cover some other asset classes such as fixed income and commodities. It then attempts to blend the best of both approaches to a successful investment strategy.

For complete information visit: www.ftknowledge.com/courses/tech_3002.html

For complete information visit: www.mta.org
Online Survey Results for 2003
Completed by 383 Members and Affiliates

Education

| High School | 21  | 5% |
| Associates  | 14  | 3% |
| Bachelors   | 202 | 53% |
| Masters     | 133 | 31% |
| PhD         | 12  | 3% |
| N/A         | 5   | 1% |

Professional designations

- CMT: 48 13%
- CPA: 10 3%
- CFP: 14 4%
- CFA: 58 15%
- CTA: 4 1%
- STA: 4 1%

What is your job function?

- Technical Analyst: 160 42%
- Portfolio Manager: 88 23%
- Research Director: 40 10%
- Trader: 139 36%
- Broker/Sales: 78 20%
- Newsletter Publisher: 42 11%
- Fundamental Analyst: 33 9%

Why join?

- CMT: 285 74%
- Library: 52 13%

On what areas of technical analysis do you focus?

- Equities: 331 86%
- Fixed Income: 28 7%
- Index Futures: 146 38%
- Mutual Funds: 62 16%
- Commodities: 138 36%
- Forex: 99 26%
- Options: 82 21%

What discipline do you use?

- Bar Charts: 280 73%
- Candlesticks: 234 61%
- Cycles: 116 30%
- Elliott Wave: 103 27%
- Gann: 30 8%
- Intermarket: 173 45%
- Market Profile: 52 14%
- Point/Figure: 119 31%
- Relative Strength: 276 72%
- Sentiment: 202 53%
- Supply/Demand: 132 34%
- Trend/Momentum: 314 82%
- Volume: 268 70%

What other organizations do you belong to?

- AIMR: 99 26%
- BSAS: 6 2%
- NYSSA: 17 4%
- SAAFTI: 1
- SIRE: 4
- SQA: 1

What areas of on-line education would be of interest to you?

- CFA: 85 22%
- Trader: 204 53%
- CFP: 35 9%
- CPA: 8 2%
- Cycle Analysis: 134 39%
- Technical Analysis: 57 15%
- CMT Preparation: 168 44%
- Fund. Analysis for CMTs: 110 29%

Should the CMT exams be given more than once a year?

- Yes: 194 51%
- No: 95 27%
- N/A: 81 21%

When are you planning to take the CMT exam?

- Nov. 03: 32 8%
- April 04: 110 29%
- Not Taking: 76 20%
- Already took it: 160 42%

What would you think would be helpful to you in preparing for the CMT Exam?

- Practice Exams: 277 72%
- Audio: 52 14%
- Flash Cards: 58 15%
- Live on-line course: 107 28%
- Study Notes: 209 55%
- Live Seminar: 80 21%
- Video Series on CD Rom: 105 27%

If you have passed all three levels of the CMT exam, are you a member?

- Yes: 59 15%
- No: 291 76%
- Application Pending: 32 8%

If no, why not?

- Lack of Sponsor: 23 6%
- Lack of Interest: 360 94%

Are you willing to mentor CMT candidates?

- Yes: 29 30%
- (96 Members participated)
- No: 67 70%

Are you willing to sponsor an affiliate for membership?

- Yes: 76 79%
- (96 Members participated)
- No: 20 21%

If your MTA was able to offer you group health insurance at a reasonable price, would you be interested?

- Yes: 140 37%
- No: 0

Do you plan on re-newing your membership in the association?

- Yes: 328 86%
- No: 0

Out of 383 replies, approximately 200 volunteered to serve on a committee

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

If you did not participate in this online survey and would like to, go to your personal home page on the MTA website (www.mta.org) and click on 2003 Survey
### MTA 2003-2004 Board of Directors

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