Letter from the Editor

The MTA Symposium held in May was very successful in every way. Attendees had plenty of time to interact with each other and the sponsors, and each speaker presented practical information. In this month’s newsletter, we try to present some details on the event. We’ll have even more from the Symposium in the July issue. But it is impossible to capture all the information in Technically Speaking. I’m already making plans to attend next year’s event, and hope to meet even more of you in New York.

As anyone who has ever studied for the first level of the CMT exam knows, technical analysis is built on the assumption that history repeats itself. Many successful technicians study the history of the markets and economics. They often understand how politics affected the economy, and the markets. To bring a long-term understanding of the markets into focus, we are reprinting an article on the history of currency. This was researched by Dr. Bryan Taylor, who details the history of every currency at his web site (https://www.globalfinancialdata.com/index_tabs.php?action=ghocmainpage).

One theme at the Symposium was that success in our field requires good communications skills. Many have learned that clients like stories with their analysis. This is fairly common when presenting an analysis of equities. Using the resource provided by Dr. Taylor can help you highlight stories even when analyzing the foreign exchange markets. While current politics is interesting, the historical perspective adds a sense of comfort for many clients.

We’ve also included a product review for High Growth Stock Investor software. HGSI has been a long-time supporter of the MTA and offers a discount to our members. Our members and affiliates receive the first 60 days of the data service for free and a 17% discount off of the regular monthly subscription price thereafter. Sponsors and supporters of the MTA make events like the Symposium affordable. We’ll be featuring more product reviews in the coming months to help you become familiar with the diverse group of companies that offer benefits to our members.

Sincerely,

Mike Carr, CMT

MTA May Symposium: Global Strategy & Tactics: Risk Management - Solutions for the Institutional Investor

An event summary by Kristin Hetzer, CMT

The MTA annual symposium held last week in New York City was the best MTA event I have attended, and I believe I have attended every annual event for the past 10 years.

The first day began with a Media Panel moderator by Barron’s writer, Mike Santoli. The Panel: Katie Stockton, CMT, Alan Shaw, CMT, and Ralph Acampora, CMT. Given the breadth of Panel experience, it was interesting to hear about the evolution of talking to the media as a Technical Analyst over the past several decades. Thursday’s keynote speaker, Mark Fisher presented his technical trading systems and indicators.

The afternoon session began with an Institutional Money Panel: Dodge Dorland, CMT, Martin Pring, Frank
Teixeira, CMT, moderated by Scott Richter CFA, CMT. A lively question and answer period followed this panel. The afternoon keynote speaker: Jeremy du Plessis, CMT, FSTA. His point and figure software is thought to be the best in the industry as confirmed by Louis Yamada, CMT. He showed the use of his charts in building a global intermarket outlook as well as the uncannily accurate price targets he calculates from his charts. Mr. du Plessis’ interesting presentation was followed by the 2010 Market Forecast Panel comprised of Phil Erlanger, CMT, Michael Krauss from JP Morgan, Sam Stovall of S&P, and Louise Yamada, CMT. The Panel was moderated by Vincent Catalano, CFA. The quality of this panel exceeded expectations. The first full day of excellent speakers and discussion was followed by a Cocktail and Networking event.

Friday began with a presentation by John Bollinger, CFA, CMT, discussing new research on Bollinger Bands. The Quantitative Research and Trading Panel included: David Aronson, CMT, Robert Colby, CMT, Fred Schutzman, CMT, and Steve Poser moderated by Dennis Hynes. The morning Keynote Speaker was Mary Ann Bartels, Bank of America Merrill Lynch Global Research. Her research on Hedge Funds is extensive and worthwhile. The afternoon Institutional Research and Trading Panel included: Christian Bendixen, CMT, Rick Bensignor, Gail Dudack, CMT, and Mike O’Rourke, CMT, moderated by Greg Bender, CMT. This panel was particularly helpful in understanding how the industry is changing in regards to compensation for institutional research. The final keynote speaker was Larry Williams, noted author and trader. Larry discussed his long career in the industry and his continued development of new indicators and inter-market relationships. The final Panel consisted of past MTA President’s: Bruce Kamich, CMT, Bernadette Murphy, CMT, Phil Roth, CMT, moderated by Jeremy Berkovits, CMT, and Jeff Lay, CMT. This was quite fascinating as we learned of Phil Roth’s early beginnings as a Technical Analyst, working for a baker as a young teenager.

The Symposium concluded with the Charles H. Dow Award, recipient, Wayne Whaley, CTA of Witter & Lester Inc. Mr. Whaley’s paper titled, Planes Trains and Automobiles which presents a detailed historical study of various market thrust measures rarity and the significance of key indicators. If you missed his presentation, it is available on the MTA site.

The location was just off Broadway in Times Square, very convenient and within walking distance to Broadway shows. The Symposium was held in the Theatre of the Millennium Hotel, a beautiful theatre and a nice departure from typical hotel conference rooms. Jeff Lay, CMT, was the organizer of this event and exceeded expectations on all fronts. He ran all segments right on time as if he was a pilot in the US Navy. I hope he agrees to run next year’s event. I understand Jeremy Berkovits, CMT, was responsible for much of the Speaker line up. To have the quality of speakers at this event was exceptional. Of course, the MTA staff headed by our Director, Tom Silveri, made sure everything ran smoothly and was an overall very enjoyable event.

In case you missed this year’s Symposium, make a special effort to “save the date” for next May. The MTA has a commitment to it’s once a year Symposium to be a first class event and a very good value for members. For those of us, outside of New York City, it is a time and price commitment. However, the benefits each year far exceed the expenditure. I look forward to seeing you May 2011!

Kristin Hetzer CMT, is the Chapter Chair of the Los Angeles Chapter and a currently serving on the MTA Board of Directors.

Will Go and Stock Prices

by Larry Williams

This article appears on “I Really Trade” the web site of Larry Williams (http://ireallytrade.com/WillGo.html). Larry recently spoke at the MTA Symposium and detailed his VIX Fix and an indicator he developed that combines Price, Volume, and Open Interest. You can read more about these tools at his web site.

In the case of the stock market I have developed two Will Go indicators; the first predicts the market 5 to 6 weeks in advance, I call that the short-term version. The longer-term version forecasts the market about 20 weeks in advance.

The short-term version is pretty much as presented in my 1970 book, “The Secret of Selecting Stocks”, in that book I mentioned using a 10 week rate of change of the Barron’s Bond/Stock spread ratio and extending that five weeks into the future. That is the basic idea.

I have not revealed the construction of the Long Term Will Go and it will remain proprietary at this time, based on what my mother told me, “If you give away all your recipes, no one will come to dinner anymore.” If you are interested in the Will Go indicators, Genesis has them available (including my Long Term Will Go): http://www.genesisft.com/willgo.php

Let’s first take a look at the short-term or traditional use of Will Go.
You might say this is the chart that resurrected Will Go. On a Larry TV show in early February 2009, I went on record saying we should expect "a significant rally" to begin the last week of February, first week of March, based on the upturn seen above. The market took off with a gangbuster rally; a shock to most people but not our viewers or followers of Will Go.

Since then Will Go indicated the market would move to new highs having a dip first, which is about what happened. As this is written (May 8, 2009) stocks continue in an uptrend. If you take the time to look at the twists and turns of the 2008 stock market you will see those turning points were also forecast quite well by Will Go.

I am fascinated by the fact that the Barron's Bond to Stock spread ratio, as expressed through Will Go, does give a pretty accurate roadmap of what to expect with a one-month view of the future. While it is not always correct --- it usually is --- and certainly in the land of the blind, the one eyed man is king.

But perhaps 2008-2009 was an exception. So I'm now showing Will Go on another time period. You can see how it has done. KEEP IN MIND THE TURNS IN WILL GO WERE KNOWN 5 WEEKS IN ADVANCE.

Will Go had a pretty good track record for 1986 and 1987 as you see in Chart 2. Again I stress it is not perfect. You can see the general path and direction as well as the timing of the swings of the marketplace thoroughly illustrated by the indicator. Most notably was the crash of 1987. Will Go predicted it five weeks in advance with the turn down of the indicator, which I have marked off with the gray vertical line.

Often the market will enter into a consolidation phase, perhaps up trending or down trending slightly. A trader or
investor wonders what will happen, which way will the market breakout of that congestion and when. Will Go is excellent in helping to resolve that question; several good cases in point can be seen in Chart 2. As Will Go turns sharply up or down, it suggests that will be the breakout of the congestion area. All those breakouts were known in advance of the price action.

Chart 3 Will Go 2000 - 2002

Once people see the excellent job Will Go had in forecasting the 1987 bear market, they then want to know about the 2000-2002 bear market. Chart 3 is presented here so you can see the potential tops and bottoms Will Go was forecasting.

By and large it did a pretty decent job of predicting the future course of stock price movements. Obviously, one wants to bring into play a few other indicators for the precise timing of entry, but certainly the index did a good job of forecasting in advance what to expect for the general path prices would take.

Next I would like to show you the long-term version of Will Go...

This presents an entirely new use of the data. I think it is of great value to forecast the longer-term moves in the marketplace. While Will Go itself does a decent job of showing the twists and turns of the market along the way, it doesn't necessarily tell you the major direction. The purpose of the long-term version of Will Go is to illustrate... some 21 weeks in advance... the future path prices should be on.

You can overlay Will Go on top of this, of course, or other indicators. Let's take a look at Chart 4 to get a sense of this.

Long-term Will Go and Stock Prices
Chart 4 Will Go Long Term 2000 - 2002

In Chart 4 we are looking at the long-term version of Will Go in the stock market time, 2000 through 2002. Keeping in mind the peaks and troughs in the blue line were known almost half a year in advance, it is surprising to see that the major declines during this time came precisely when Will Go was anticipating them. Virtually every one of the major sell off were clearly known in advance using this long-term version of the indicator.

Chart 5 Will Go Long Term 1995 - 1998

It is not always as perfect as the 2001-2002 market. Yet when we look at the 1994 through 1998 time in Chart 5 we see the long-term version did an excellent job of telling us when to expect sell offs. Perhaps more importantly it told us when to expect explosive upside action in the market. The troughs in the long-term Will Go coincide quite well with significant market rallies. Just think of the power to know half a year in advance when these turning points would most likely appear!

Chart 6 Will Go 2009

Finally let's finish off with the current market as of May 2009. As you can see in Chart 6, the index is forecasting a market peak at the end of May with a bottom in early September. Of course between now and September we may see that the index goes to a new low. We don't know that yet... but we do know there should be a definite downside bearish move in the market between the end of May and into September. Will this take place? I don't know... but I do know the index has done such a good job of predicting in the past that I cannot disregard this warning.

The message to me is to confirm the potential for an important market top at this time. If indeed it occurs, I would expect it to last at least into September, not just a short-term pullback in the market. The only notable exception
I can find to the long-term version not making a good forecast was in 2003 when it was forecasting lower prices and the market did not respond.

A couple of points to be made. If you study the long-term index you will see that when it has a substantial decline like... we see coming now... when it does turn up, a significant market rally follows. Also, if the market doesn't decline much while the long-term forecast is down, the market usually just moves sideways and not much goes on.

There you have it. A brief synopsis on how to use the short and long-term versions of my Will Go indicator. Considering this was initially done in 1969 and is still alive and well and working, I am convinced it is one of the most significant indicators I have developed. I trust you will fare well with it.

**Will Go and Bond Prices**

**Will Go at work in the 30 Year Treasury Bond market**

Chart 7 shows the short-term Will Go at work in the 30 Year Treasury Bond market. The important point, and the first I want to make, is that the chart shows the closing price for Bonds for the week ending close of May 8, 2009. Yet, Will Go was forecasting out to May 22nd. This is the power of Will Go... in the Bond market, it gives us a two-week lead indication of what bonds should be doing in the future.

The above peaks and valleys in Will Go have been marked them off with the gray vertical lines. These points were known two weeks prior to their occurrence. This insight is what this very unique indicator brings to the table.

Will Go did a superb job of calling the large year-end rally in the Bond market, not only forecasting that in advance but giving us an idea of how substantial the move would be. Then two weeks prior to the market topping out, we had a very good idea a decline would come around the first of 2009. We had the visibility of Will Go entry into a steep downtrend. As the year continued, the indicator forecast a rally in the middle of February and a decline to start in the middle of March; that is pretty much the road Bond prices followed.

As this is written with data ending May 8th of 2009, Will Go is suggesting a rally in the Bond market. You will be able to see what happened in the future... I don't know what it is at this moment, but we know what Will Go is suggesting... a rally.

The basis for the indicator is the spread between high-yield stocks and bonds as published in Barron’s each week as the Barron’s High Yield Bond Stock Spread. It can also be obtained on Ralph Vince’s web site; http://parametricplanet.com/vince/barrons/?M=D. Ralph does a Herculean job of posting all of the Barron’s information each week; usually it is posted by Saturday night. Genesis also provides this data and my Will Go indicators; http://www.genesisft.com/willgo.php.

Will Go of course is a measurement of this index. Essentially I am taking a rate of change of the bond/stock spread and extending it into the future. In the case of bonds the extension is two weeks into the future... in the case of stocks it is extended five weeks into the future. (Genesis software users will find that Will Go is set in advance for stocks. However for the bond market you need to set the reading at -2 weeks to arrive at the same predictions shown above). See screen shot of my applications so you can see what I have done to make certain Will Go is correctly set for the bond market.
Let's take a look at another time frame of the index and the Bond market. I also suggest those of you who have the index in Genesis, spend some time looking at Will Go versus prices in the past to get a better understanding and feel for the indicator.

As you can see this index is not perfect... nothing is, unfortunately, in this business. Nonetheless, the vast majority of tops and bottoms in the indicator have correctly forecast strength and weakness in the Bond market. Very few market indicators have any reliability of forecasting the future. So when we encounter something like this, we are given a distinct advantage in the game.
Finally, to show this is not just current phenomena in the Bond market, I went back to the 1993-1994 time. We continue to see that for most of the peak and valleys Will Go correctly predicted a top or bottom at that time or shortly thereafter.

Let's look at the up move in 1993. It shows two distinct rallies and then a market top, which is about what happened. Then starting in the middle of 1993 Will Go was suggesting a decline, a rally and then a down move into the low 1994; which was a pretty good call. The projected low at the end of the first quarter of 1994 did not produce a market rally. But it did lead to a stabilization of the market, which then continued to decline about the time Will Go was suggesting it would.

All in all, not a bad prediction of the general twists and turns and turns the Bond market would take.

I like to combine the Will Go forecast with my COT set up indicators, public sentiment, and seasonality to further refine my trading opportunities in this market. This has been a great combination.

While Will Go may have application to other markets, I have not yet found a tight correlation with any markets other than Stocks and Bonds. If you have any different notions on this please let me know.
EQUITY PORTFOLIO MANAGER-

Serious managers will utilize this course to analyze leading Wall Street valuation models and investment strategies for equities using fundamental, behavioral/technical and quant approaches, and then study how these are modified by the best performing equity portfolio managers to produce risk-adjusted excess returns. Also reviewed are: accounting and cash flow tricks that are sidestepped by professional investors, but punish many investors; various trading strategies, incorporating algorithms, hyper-trading, dark pools, and derivatives; new reporting requirements for regulatory considerations, consultants and clients as well as fund marketing techniques; and career advice to get the big bonus checks. An interactive investment workshop reinforces these skills when participants get to select stocks, choose a performance measurement method and then determine a marketing style and vehicle to create an investment approach producing excess returns. Case studies examining the investment approaches of leading versus average performing portfolio managers are also included. This intensive course goes beyond basics into the sophisticated and subtle strategies that can help achieve: “Top Quartile Manager”

INVESTMENT FUND SELECTION-

This is a must attend course for all professionals involved in the selection and management of third-party investment managers. Investment Fund Selection offers an insiders perspective into the various challenges in determining the most appropriate fund structure, managerial style and fund value-added performance of third-party investment managers in order to achieve individual investment objectives. Portfolio theory considerations and statistical issues are discussed with behavioral considerations.

Reviewing different fund structures, such as mutual funds, private equity and hedge funds, participants explore regulatory, audit, established and recent portfolio performance measures and, learn about subtle tricks that some funds can use to “dress up” performance records and charge unwarranted fees.

An optional and practical one-day investment fund selection workshop will also include various fund case studies and exercises to reinforce the definitive selection techniques learnt. Participants get to perform an investment fund selection role-play in order to evaluate and screen funds for specific investment criteria and answer the question: “Is my fund manager giving me my money’s worth?”

TECHNICAL ANALYSIS CMT 1-

A must attend 4-day course for investment professionals wishing to gain the CMT Level I professional qualification in Technical Analysis from the Market Technicians Association (MTA). Using real-life charts, participants learn traditional technical tools of charting and many specialized topics. Whilst the course focuses on US equities, other markets including GCC stocks, commodities, and real estate will also be explored. An optional 1-day session entirely dedicated to exploring trading opportunities for US and GCC equities, FX, commodities and bonds using technical analysis. Prior workshops correctly called turns in the US market, collapse of real estate, and the decline of the Saudi market by blending technical indicators. This course should help answer the question: “Buy or Sell and When”

INTRODUCTION TO STEALTH TRADING USING FUSION, ALGORITHMS, AND DERIVATIVES FOR PROFESSIONALS-

Today, portfolio managers increasingly must use stealth trading in order to disguise their intentions and thus benefit from best execution. The old ways of staring at a Bloomberg to get bid/ask quotes and transacting an order is gradually being supplemented by more sophisticated strategies, such as, algorithmic models to meet various investment goals. The objective of this course is to give the student an introduction to the mathematical challenges of creating algs and, utilizing various trading strategies that can achieve best execution. This course should help achieve: “Best Execution.”

ADVANCED CAPITAL MARKETS ANALYSIS

Spot, forwards, futures, swaps, options, and statistical issues are discussed in dynamic capital market strategies. This course was first introduced to a top Ivy Business School. Solving the course problems and cases has brought angst to MBA and CFA candidates. Still, the topics are the food for advanced hedge fund techniques.

STRATEGIC GOLD INVESTING

Gold has been one of the very few assets to have created wealth in the past several years. Gold offers investment opportunities for investors, traders, and financial engineers. Erroneously, some feel that one must only speculate on rising or falling gold prices to make money. In fact, there are strategies other than pure directional ones that may also offer investment opportunities. Preconceived notions on gold may soon be giving in to today’s global economic challenges. This course is for believers and non-believers in gold. Gold offers hedges against both inflation and fear. Portfolio strategies can also benefit from owning gold. Bull and bear traders can profit by using unique strategies to capitalize from gold’s fluctuations. These strategies include the use of complex technical analysis, behavioral, economic, and algo models. Financial engineers may also be interested in replicating or enhancing traditional investment strategies with gold. This course should help answer: “Is gold the future global currency or the future paperweight?”
GLOBAL SMALL CAP INVESTING

Global small cap stocks offer investors the ability to participate in the world’s future big winners. Certain trends have made this exciting area more attractive. These trends include more common product standards and consumer expectations, as well as freer capital and financial information flows. It is more likely that innovations will be produced globally rather than in traditional countries. Despite the attractive nature of this investment universe, it holds many traps and challenges for the stock analyst and portfolio manager. Therefore, the typical global small-cap manager has not produced an alpha. This course also explores alternatives in venture, emerging, frontier, BRIC, and financially engineered companies. This course covers fundamental, technical, behavioral and quant approaches to investing in global small-cap stocks. Global small-cap investing will help answer: “Now why didn’t I invest in that company?”

Instructor John Palicka CFA CMT is a top-ranked portfolio manager of Global Emerging Growth Capital (WWW.GLGEBC.COM) with over 30 years experience of managing $ billions. He has doubled client money, on average, every 4 1/2 years since 1980*. His high course ratings from major investment firms reflect clear interpretations and practical applications of complex topics; knowledge applied to examples and cases found in the current worldwide and GCC marketplace; his experience with specific situations actually encountered in his career and consulting contracts that parallel the learning topics. John has an MBA from Columbia University and also teaches these courses for leading training institutions, including The New York Institute of Finance (WWW.NYIF.COM).

To find out more about these courses in GCC locations, please call Esam Hassanyeh + 9714 391 0234 or visit his website: www.enhance.ae. * Past performance is no guarantee of future results.

Using Volatility

The MTA Symposium included several panel discussions. Larry McMillan was a participant on the Master Trading Panel, talking about "Technical Analysis as a Risk Management Tool."

Larry is the author of two best selling books on Options, including Options As A Strategic Investment, which is widely recognized as essential resources for any serious option trader's library. As president of McMillan Analysis Corporation, Larry writes the "Daily Volume Alerts", and edits and publishes "The Option Strategist", a derivative products newsletter covering equity, index, and futures options. Larry has been recognized as an expert in options for years.

His talk focused on applying volatility as a risk management tool. VIX is a widely followed index to measure volatility in the markets. Larry explained what exactly VIX is and how it can be used in a trading strategy. Futures, options and ETFs are available on VIX, making it possible for every investor to trade volatility.

In his presentation, Larry showed how to use VIX-based ETFs to spot market tops. While many traders shy away from options and volatility because the math seems daunting, Larry showed how a simple ratio of short-term volatility to longer-term volatility can be used to time potential stock market tops.

Copies of the presentation can be downloaded at http://www.optionstrategist.com/mta/.

A History of Universal Currencies

By Dr. Bryan Taylor

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In January 1999, members of the European Union introduced a single currency, the Euro. In 2002, the Euro will replace national currencies, and each country’s currency will cease to exist. It is our belief that within the next ten years the Euro will merge with the Dollar to create a single currency for the United States, Europe, and eventually for other countries. These articles explore the impact of this transition to a single international currency.

This article provides a brief overview of the history of currencies, beginning with primitive monies and moving up...
to modern times. The article attempts to show two things. First, whenever feasible, countries and empires have introduced a single monetary standard within their political regions because the benefits of a single currency exceed the costs. Second, historically the existence of currency areas has been based more upon political than economic factors. For these two reasons, a single currency for the United States, Europe and for the rest of the world appears to be the inevitable goal toward which the world is heading.

A History of Single Currencies

A review of monetary history shows that there have been numerous attempts to introduce a single currency. There has been a continuous desire for and attempt to move toward a single currency. Whenever economic and political stability have enabled international trade to expand, attempts have been made to introduce a universal currency that meets the demands of trade.

Because of the political benefits of introducing a universal currency, a single monetary standard has usually followed the expansion of political power. The Roman Empire, the Chinese Empire, and the British Empire all established a single currency standard for the regions over which they ruled. Although there are economic reasons for having a universal currency, history suggests that politics, and not economics, has been the chief determinant of currency areas in the past and today.

In the past, as long as economic and political stability persisted, unified currency areas served the needs of business. Only when economic, or more often political, stability faltered were alternative currencies introduced. This article will look at the historical attempts to provide a single currency in the past, analyzing to what extent the currency area succeeded or failed. This history will help us to judge the viability of a single currency for both the United States and Europe in the next decade.

The Ancient World

In the beginning, there was barter. Barter is an inefficient way of carrying out economic transactions because of the problem of the double coincidence of wants. If two people do not desire what the other has, it is impossible to carry out an economic trade. The reason for the creation of money is to provide a good that everyone is willing to trade for, enabling economic transactions to be carried out.

Almost every society has found a universal common currency. In the past, it was usually a commodity that was transportable, divisible, had a high intrinsic value, was desirable by consumers, was difficult to counterfeit, could maintain its value over time, and act as a store of value. Primitive monies included cowrie shells, animals, metal ingots, giant stones, beads, feathers, salt and similar items. These primitive monies were eventually replaced by metal coins, then by paper currency and today by electronic blips.

A single currency usually requires a common social, political or economic culture, a single government, and a wide trading area that can benefit from the use of the common currency. Historically, universal currencies had to await the creation of political empires in Europe, the Middle East and Asia before they could be introduced.

According to Money: A History by Jonathan Williams, in ancient Egypt and Mesopotamia, any gold or silver object could be used for transactions, including common jewelry. Using everyday items for money made it necessary to check them for weight and quality, making transactions difficult to carry out. Having the government cast standardized metal ingots of a uniform weight and quality solved this problem. The ingots took the form of bronze dolphins cast on the Black Sea, or of bronze spade money and bronze knife money in ancient China. In ancient times, government-produced currencies and private forms of money coexisted.

When large transactions are made, however, using a large number of bronze ingots makes carrying out large transactions difficult. One solution to this problem was the introduction of coins made of electrum (a combination of gold and silver) in ancient Lydia (today part of Turkey) around 600 BC. Because of the difficulty of standardizing coins made of two metals, electrum coins were soon replaced by coins of pure gold, or more often, pure silver. Cities, which were lucky enough to have silver mines within their territory could mine the silver, turn them into coins and export them for goods which would generate seignorage for the exporting city-state. By producing a standard coin of good quality, cities could produce coins that would be accepted throughout the ancient world, such as the Athenian owl tetradrachm.

The true advent of a universal currency had to wait the establishment of the Roman Empire around the Mediterranean region, and of the Qin and Han dynasties in China. Prior to the Roman Empire and Qin dynasty, each geographical power issued its own currency which was accepted within its economic realm, but which acted as bullion beyond its own borders. Athenian tetradrachms could be used in Bactria, but no one could be forced to use them as legal tender there. Rome was able to introduce a single coinage system for the entire Mediterranean region using the gold aureus, silver denarius and bronze as the bronze wuzhu, introduced in 118 BC. In China, continued in basically the same form for the next 700 years.

In the early years of the Roman Empire, the riches Rome took from newly occupied regions paid for its needs. The purpose of conquest was to subsidize Rome, not its newly conquered territories. The benefits of introducing a single currency were well understood by traders in the ancient world. The plethora of local currencies was replaced by Roman coins wherever the Roman Empire ruled. However, the costs of having a single currency were soon to become evident. Once the Romans were no longer able to rely upon the riches of the lands they had conquered to support their empire, they began debasing the currency in order to raise revenue.

Many pre-Roman coins have a chisel cut in them, showing that the purity of the coin’s silver content had been
tested, but Roman standardization made this unnecessary because Rome turned its coins into fiat money, whose value was based upon government decrees and not upon bullion content. Fiat money allowed Rome to gradually reduce their coins’ silver content without reducing the value of the coins they were minting. The result was an incredible increase in the number of coins that were minted. Modern scholars estimate that hundreds of millions of Roman coins were minted.

By the third century, Roman coins were dipped in silver rather than made of silver, and the inevitable inflation resulted. Diocletian’s introduction of price controls in 301 AD failed, as have all attempts to control prices whenever the government is debasing the currency. It is no coincidence that the economic, political and military instability of the later Roman Empire was reflected in its coinage. Reforms of the coinage would last for a few years before debasement inevitably returned and became worse than before the reform was introduced. Similar problems occurred in China when its empires began to falter.

A single currency area persisted in Rome and in China as long as political and economic stability continued, but when the economy became less stable, the financial system also suffered. In these two cases, economic and political instability contributed to the failure of the single currency in ancient Rome and in China.

The reason for this is simple. Debasing the currency is a form of taxation. Not only does debasement make individuals poorer, but it creates uncertainty which can inhibit trade. When governments debase the currency, it only acts as a temporary solution to the financial government’s problems before the debasement itself becomes the government’s primary problem. Without the introduction of a universal currency and government control over the currency, universal debasement and inflation would have been impossible in both of these cases.

The Middle East, Ancient Rome and China provide patterns that have been repeated for the past two millennia. Whenever economic and political stability have increased, and especially when some form of political hegemony existed, standardization of money inevitably followed because of the economic and political benefits which a universal currency provided. The introduction of a single currency enabled trade to expand, but it also enabled the government to debase the currency to its benefit when political or economic stability increased.

The Medieval World

Since the fall of the Roman Empire, no single political entity has succeeded in taking control over all of Europe, or over the Mediterranean basin, despite many attempts to do so. Whether it was the Holy Roman Empire, Napoleon or Hitler, every attempt at uniting Europe by force has failed. The lack of political unity has been mirrored by the lack of monetary unity, though periods of economic stability have pushed Europe toward this goal.

After the Roman Empire divided into the multiparous western half and the stable Byzantine Empire in the East, western Europe went without a common currency of any kind for centuries. This was not the case in the Byzantine Empire where the gold tremissis (also known as the nomisma or solidus) maintained its value for one thousand years until the fall of Byzantium in the fifteenth century. The Byzantine solidus acted as the primary currency for international trade for almost a thousand years.

Western Europe lacked the resources to issue gold coins until the issuance of the Florentine Florin and the Venetian Ducat in 1284. Until then, Europe relied on silver pennies for transactions, but because the value of the individual pennies was so low, this hampered large international transactions until the introduction of gold coins in the thirteenth century. By coincidence, the introduction of the single currency in Europe in 2002 will occur on the 750th anniversary of the reintroduction of gold coins in Europe.

China took a different route from medieval Europe because the Han and Tang dynasties provided the political stability that Europe lacked. The Tang dynasty introduced a golden age in China in the seventh century at the same time that Europe was reaching its nadir. The Tang dynasty introduced a new coinage system that was used throughout the Chinese Empire. Moreover, the Kao-tsung dynasty (650-683) introduced the first paper money, almost a thousand years before paper money was introduced in Europe.

There is still debate as to whether or not the Chinese issues were paper money in the modern sense, i.e. officially issued, legal tender exchange notes without a date limitation. The earliest notes were certainly not legal tender in the modern sense, since acceptance was voluntary. The Chinese paper currency were non-interest bearing notes which could substitute for coins, rather than legal tender. However, paper currency allowed the Chinese emperors to expand the money supply, hoard bullion and supplement their tax resources.

The introduction of paper money created a Chinese version of Gresham’s Law (bad money drives out good) as paper money became used more widely. In 1074, China lifted the ban on the export of coins (formerly punishable by death) and paper money replaced coins, which were then exported to Korea, Japan and other countries where paper money was not in use and coins had greater purchasing power. In China, prices began to be quoted in terms of paper currency, and not coin.

During the Yuan dynasty (1206-1367), coinage was banned and was replaced by the printed State Treasury Notes of the Mongol emperors. It may not come as any surprise that the result was inflation during which people lost faith in the paper currency.

Paper money produced greater problems of counterfeiting by individuals and inflationary over issue by governments than did the fiat money of ancient Rome. The Chinese government minimized the first of these
problems by punishing counterfeiters with beheading and by rewarding informants. Counterfeiting, however, has always been a lesser problem than the over issue of currency which has been seen as a government privilege rather than as a crime. It has always been governments, and not individuals, who eventually ruined the currency.

Modern Times

Because of the lack of political unity, gold and silver bullion, rather than paper currency became the standard currency of Europe. Because of the difficulty of transporting large amounts of bullion over long distances, the bill of exchange was introduced in fourteenth-century Italy to transfer money between cities, but these notes could only be used by the bearers of the bills, and were not legal tender.

Until the nineteenth century, paper currency was only issued in Europe during political or economic emergencies. The first European money was issued in Leyden in the Netherlands during the 1574 Spanish siege of the town. The issuance of John Law’s notes in 1720, Assignats in revolutionary France and continental dollars during the revolutionary war in the United States all ended in inflations which inhibited the introduction of paper currency for decades in France and in the United States.

However, not every introduction of paper currency ended in an inflationary overissuance of currency. When paper currency was issued because bullion was in short supply, as in Sweden during the 1600s or in colonial America in the 1700s, paper could successfully supplant metal coins without inflation becoming inevitable. Unfortunately, the failures of paper currency stayed in the collective memory longer than the successes.

Though Europe has never had anything approaching the single currency that China enjoyed in medieval times, this did not prevent Europeans from speculating on the introduction of a universal currency for all of Europe. The first to raise this issue was Bernardo Davanzati who published A Discourse Upon Coins after delivering his ideas to the Florence Academy in 1588. According to Pierre Vilar, Davanzati tried to reconcile the “money created by the State and money whose value varied in the course of market transactions.” State money had its value by government fiat whereas bullion had its value by supply and demand. State money was only accepted within national boundaries, while bullion was accepted everywhere. The problem was to introduce a state money acceptable outside of the realm. Even today, a solution to Davanzati’s problem has not been found.

The First Modern Currency Union

The first attempts to create an international currency for Europe occurred in France in the 1800s. The French Revolution, which introduced the metric system, tried to do the same for currency when Napoleon’s finance minister, Francois Nicholas Mollien, wanted to supplement the uniform system of measures with a uniform currency. Increased travel and trade during the 1800s made a common currency desirable since it would make coins within countries interchangeable and would make the calculation of exchange rates simpler.

The vice president of the Conseil d’Etat, de Parieu, was instrumental in promoting the Latin Union in continental Europe, and in so doing created the first modern international currency. The Latin Monetary Union was established in 1865 with France, Belgium, Switzerland and Italy as members (Greece and Romania joined in 1866). Member countries agreed to mint coins to a single standard and to limit the minting of their coins. Coins that conformed to this standard would be accepted as legal tender by government offices in any of the member countries. The Latin Monetary Union continued until World War I broke out in 1914.

The relative success of the Latin Monetary Union led to a push for a single currency beyond the six member countries. The International Monetary Conference of 1867 tried to create a single monetary standard for all of Europe. One idea introduced at the conference was to mint a coin equal to 25 French Francs, 5 U.S. dollars or 1 British pound which would have the same gold content and could be used throughout Europe and the United States. But the idea fell through, and no monetary changes followed the conference. In 1878, the United States called an International Monetary Conference in the hopes of establishing a bimetallic gold/silver standard, but this conference also failed.

While no international conference could establish a single currency, business found a way of creating common currencies for their own use. In the Far East, the Mexican silver dollar became the common standard for trade and paper currencies in China, Singapore and other Asian countries. United States Trade Dollars were produced for use in Asia, and European mints produced Maria Theresa Thalers for export to Africa where they were used throughout the continent for over a century.

Although no international currency was established in Europe, within countries, monetary diversity eventually turned into monetary unity. The United States introduced a national currency during the Civil War, replacing the plethora of local bank notes that had been issued in the United States until then. During this same time, both Germany and Italy were unified into single political entities requiring a single monetary standard. Prussia promoted the unification of German monies and introduced the Reichsbank to maintain a single German currency. The same result occurred in Italy under Cavour when it was united. (Kindleberger, p. 463)

The Gold Standard

The ultimate result of these economic changes was the gold standard, under which each country’s currency could be exchange for gold on demand. The gold standard had been introduced in England as early as 1717, but it did not become universal throughout Europe until the 1870s. In the United States, Alexander Hamilton established the US currency in 1792, and the first gold coins were issued in 1795.
Without a single European government or international currency agreement, the gold standard was the closest the world could get to a universal currency. Currencies were fixed to gold, and gold fixed currencies to each other. The result was almost a complete elimination of currency fluctuations among the world’s major currencies.

Countries could issue paper currency, but only if it were backed by sufficient gold reserves. As evidence of the stability produced by the gold standard, consider the US Dollar and the British Pound. With the exception of the civil war, when the United States went off the gold standard, there was no more than a 1% fluctuation in the relative value of the U.S. dollar to the British pound from 1839 to 1914. For 75 years, exchange rates had a degree of stability that often only lasts a few weeks today.

The establishment of the gold standard made it easier for countries to reintroduce paper currency. Whereas the continental currency of the United States or the Assignats of Revolutionary France had had no bullion backing, countries began issuing notes which were fully redeemable in gold.

It should be remembered that the gold standard was not universal before World War I. Many countries, such as those in Latin America or the Far East, adhered to a more inflationary silver standard rather than the gold standard. Ideally, a fixed gold/silver ratio could have fixed gold and silver currencies to each other to maintain stability between gold and silver currencies, but new discoveries of silver made this impossible. Rather than having a single bimetallic standard for the world as the U.S. wanted, the result was a double standard of gold for Europe, its colonies and North America, and a silver standard for the rest of the world.

The pound sterling was the primary international currency until 1914. The Bank of England, in effect, became the central bank for the world and managed the international gold standard through interest rates, and it acted as a forerunner of the European Central Bank. The specie-flow mechanism maintained the system of exchange rates. If a currency became overvalued, gold would flow out of that country and into other countries, restoring the exchange rate to its normal level.

The gold standard worked smoothly until August 1914 when World War I forced countries to suspend their currency conversion. Countries were then free to print money they could not raise through taxes in order to fight World War I, but high and varying rates of inflation resulted. Despite various attempts to return to the gold standard in the 1920s and the 1930s, any success proved temporary at best.

**Breton Woods**

Despite numerous attempts to stabilize the international financial system after World War I, any success was only temporary. Without political and economic stability, any attempt at introducing a single currency was doomed to failure. When the Breton Woods Conference began in 1944, many participants felt that the international financial instability of the interwar period (in the form of competitive devaluations and hot money flows) had contributed to the political instability which and the length of the Great Depression. During the inter-war period, the British were too economically weak to run the international financial system in the way they had prior to World War I, and isolationist pressures meant that the United States was unwilling to take Britain’s place.

The period after World War I had seen horrible inflations in Germany, Czechoslovakia, Hungary, Austria and other countries. Many economists felt that the problems created by the German hyperinflation contributed to the rise of the Nazis. The Breton Woods conference was designed to insure that the economic problems that followed World War I did not occur after World War II.

Breton Woods established a dollar standard to replace the gold standard. The value of the dollar was fixed to gold at $35 to the ounce, and the world’s currencies were fixed to the dollar. Exchange rates were fixed in the short run, but flexible in the long run. In the 1950s, most currencies were not freely convertible, and the low level of international capital flows and international trade made it relatively easy to manage the Breton Woods system.

As it became easier to send money between countries, trade increased, and countries began pursuing different monetary policies, the Breton Woods system began to break under the pressure. The Breton Woods system was fundamentally different from the gold standard.

The gold standard worked, in part, because every country agreed to have the same commodity as the basis for their currency. Although the price of gold might change relative to other goods, it would have the same value everywhere in the world. During the inter-war period, countries went off the gold standard and fiat money replaced gold and silver forever.

After World War II, every country now had its own currency whose value was determined by international supply and demand. The combination of the specie flow mechanism and the Bank of England’s control over interest rates had helped to stabilize the gold standard. With no similar mechanism in place during the Breton Woods period, once countries began pursuing different economic policies, the system of fixed exchange rates could not survive.

By the early 1970s, the world had changed dramatically from 1944. The demands for increased government spending, combined with the desire of governments to minimize economic downturns through Keynesian fiscal policy, and through the subordination of monetary to fiscal policy, produced inflationary pressures throughout the world.

There have been worldwide inflations in the past, but the inflation that followed World War II was gradual and persistent, taking place in every country in the world. In 1973, Bretton Woods collapsed, and flexible exchange
The currency union continues among the smaller islands, though Guyana, Barbados, and Trinidad and Tobago included the British West Indies, Trinidad and Tobago, Barbados, The Leeward Islands (Anguilla, Saba, St. Christopher, Nevis and Antigua), the Winward Islands (St. Lucia, Dominica, St. Vincent, Grenada), British Guiana, and the British Virgin Islands.

Christopher, Nevis and Antigua), the Winward Islands (St. Lucia, Dominica, St. Vincent, Grenada), British

The British Caribbean Currency Board was established in 1950 and established an Arab Dinar tied to the SDR. Neither of these unions was successful.

Emirates tried to establish a common currency in 1975, and in April 1977, the Arab Monetary Fund tried to Arab countries made several attempts to share a common currency. Bahrain, Kuwait, Qatar and the United Arab Emirates tried to establish a common currency in 1975, and in April 1977, the Arab Monetary Fund tried to establish an Arab Dinar tied to the SDR. Neither of these unions was successful.

Only two multinational currency unions have worked since World War II. The smaller success story has occurred among the islands of the East Caribbean. The British Caribbean Currency Board was established in 1950 and included the British West Indies, Trinidad and Tobago, Barbados, The Leeward Islands (Anguilla, Saba, St. Christopher, Nevis and Antigua), the Winward Islands (St. Lucia, Dominica, St. Vincent, Grenada), British Guiana, and the British Virgin Islands.

The currency union continues among the smaller islands, though Guyana, Barbados, and Trinidad and Tobago
Though political trends have been moved toward greater plurality, finance, technology and economics have broke away from the Soviet Union, they quickly set up their own currency as a symbol of their national sovereignty.

As soon as each country of the Commonwealth of Independent States economy has become more integrated than ever. Outside of Europe, governments have pushed toward more currencies rather than fewer currencies. As soon as each country of the Commonwealth of Independent States broke away from the Soviet Union, they quickly set up their own currency as a symbol of their national sovereignty.

These trends will continue and accelerate in the future. The fall of the Soviet Union and Eastern Europe, along with the introduction of the market in China, has returned the world to an environment in which market transactions, rather than ideological differences, are the focus of the international economy. A country such as Taiwan may be ostracized politically, but this keeps few countries, including China, from trading with it. With these trends growing stronger by the day, the move toward a new universal currency seems inevitable.

Financial Integration Outside of Currency Unions

In countries that do not share a single currency, economic necessity and technological change have pushed the world toward a single monetary standard. Though Maria Theresa Thalers and Mexican silver dollars are no longer international currencies, US dollars are accepted almost everywhere. It has been estimated that about half the United States’ outstanding currency, and the majority of its $100 bills, are held outside of the United States.

Today technological progress has placed paper currency in the same position that copper and silver coins held under the gold standard. Although currency plays an important role in the monetary system, it exists mainly to smooth out economic transactions. Currency has little effect on the overall stability of the financial system.

Electronic money has replaced paper currency and bullion as the foundation of the monetary system. The central bank influences the money supply through the discount rate, open market operations, and repurchase agreements rather than printing currency. Excessive use of expansionary open market operations, rather than excessive use of the printing mills, creates inflation today.

Technology has unified the world’s currencies in a way which is fundamentally different from either the era of the gold standard or from Bretton Woods. Gold and paper currency have become secondary in the financial system. Over one trillion dollars in currency is traded every day, and currency crises can lead to, and can produce, recessions and political change. Given this, it is not difficult to imagine the massive savings that could occur by the introduction of a universal currency.

At the same time that the financial world has become more integrated, corporations and products have been internationalized to a degree that would have been unthinkable a generation ago. The reduction in world trade barriers and tariffs through GATT and the World Trade Organization has allowed companies to transcend national barriers. Automobiles include parts from over 20 countries, and Coca Cola can be purchased in almost every country in the world. Similarly, the Internet has tied every country to each other providing a single source of information to everyone in the world.

These trends will continue and accelerate in the future. The fall of the Soviet Union and Eastern Europe, along with the introduction of the market in China, has returned the world to an environment in which market transactions, rather than ideological differences, are the focus of the international economy. A country such as Taiwan may be ostracized politically, but this keeps few countries, including China, from trading with it. With these trends growing stronger by the day, the move toward a new universal currency seems inevitable.

Conclusion

Even though more currencies and countries exist today than have ever existed in history, the international economy has become more integrated than ever. Outside of Europe, governments have pushed toward more currencies rather than fewer currencies. As soon as each country of the Commonwealth of Independent States broke away from the Soviet Union, they quickly set up their own currency as a symbol of their national sovereignty.

Though political trends have been moved toward greater plurality, finance, technology and economics have
moved toward greater integration. Greater economic integration inevitably leads to demands for greater financial integration to reduce the transaction costs of economic activities. Though the world’s economies can become more economically integrated without requiring more political integration, forming a currency union entails a reduction in national control over monetary policy.

In the past, because of the difficulties of getting national governments to give up financial sovereignty, universal currencies have resulted from political integration, not from international agreements. Whether it was the Roman Empire in the Ancient World, the Han Dynasty in China, or German Monetary Union in the 1800s, all these currency unions resulted from the existence of or desire for political unification. Modern China had a multitude of currencies until the People’s Republic did away with all competing currencies in 1949.

The political integration that was required for financial integration in the past is no longer necessary today. The fact that a universal currency could be introduced without imposition by a single government shows how much the modern world differs from the past. Since World War II, economic and financial integration of the world’s economies has continued apace without any political integration being required. Because of this, there is no reason to believe that monetary integration in the form of a single currency could not occur in the near future.

As detailed elsewhere, the theory of optimum currency areas reveals the economic benefits of a single currency. A universal currency is a public good that makes the prices of goods more transparent, it lowers transaction costs, it increases competition, it increases economic stability, and as a result, encourages economic trade and growth. As this survey has shown, from the ancient world to the modern, whenever it has been possible in the past, people have moved toward the establishment of a single currency. The reason for this is simple, the benefits of having a single currency exceed the costs.

The problem is how to make the transition from many national currencies to a single currency. Within a single national boundary, introducing a single currency has not been a problem because governments can make choices for all citizens within their political domain. As the experience of the International Monetary Conference of 1878 or the inter-war conferences of the 1920s and 1930s showed, getting sovereign governments to make this change is very difficult. But it is not impossible. The introduction of Bretton Woods in 1944 and the Euro in 1999 proves this.

What this change requires is strong leadership and a determination to achieve this result. No international financial standard existed between World War I and World War II because there was no leadership by the United States or Great Britain to provide a stable, international currency. Bretton Woods succeeded because of the dedication of the United States and other allied countries in establishing a stable economic system after World War II. The Euro could not have come into existence without the leadership of Germany and France.

If a single currency for Europe and the United States (and ultimately for the rest of the world) is to be introduced, it can only result from strong leadership. Which leaders will push for the universal currency remains to be seen, but history seems to show that the move toward a single currency is only a matter of time.

In a world which has become as economically integrated as ours is today, having almost 200 currencies requiring over $1 trillion to be traded on a daily basis seems to be an inefficient anachronism whose time has passed. The problem, of course, is how to get from a world of 200 currencies to a world in which most economic transactions are carried out in a single currency. The other papers in this series will explain why, for the first time in history, the world is in a position to create a universal currency union.

Dr. Brian Taylor founded Global Financial Data (GFD), which specializes in historical data that extends from the 1200s to present — beyond what traditional data vendors can offer. This allows analysts to perform complete analysis on 200 countries and create superior forecasting models for developed and emerging markets on total returns, U.S. stocks, fixed income, equity and economic data.

The GFDatabase, the US Stocks Database and the Real Estate Database have been compiled from original data sources such as historical archives, academic journals and news periodicals. The data have been verified and cross-referenced. GFD continues to investigate new sources and extend existing series whenever possible creating proprietary data series that no other data supplier provides.

For more information, please visit https://www.globalfinancialdata.com/

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By Dave Steckler

Industry Monitors, Inc. is a business enterprise committed to delivering a comprehensive set of integrated end-to-end investment products and services. Customers are individual investors, financial planners, Registered Investment Advisors, and institutional portfolio money managers. Software, data, seminars, training, newsletters, plus a users’ forum are all offered under the brand name of HighGrowthStock (HGS). Their software is HighGrowthStock Investor, known as HGSi.

HGSi is an end-of-day application for screening the universe of stocks to find those most likely to outperform the market. It utilizes a top-down approach to parse stocks into 154 industry groups, to rank these groups according to their relative performance over whatever time period is selected by the user, and to then drill down into these groups and rank the group’s stocks according to their relative performance.

Groups can be any collection of securities or indexes that have meaning to the user, e.g. baskets, industries, market sectors, portfolios, indices, exchange traded funds, etc. Using ranking tools for acceleration, velocity and relative strength you are able to find groups of stocks that are moving up or down faster than other groups.

The advantage to this method is obvious: Find the best performing stocks in the best performing group and you have a big leg up over the next investor.

Once your research is completed, HGSi can transfer the groups of symbols you have developed to a provider of website based real-time services for online portfolio tracking. HGSi gives you all you will need to do “offline” research and then watch the results with “online”, real-time portfolio performance monitoring. Of course, those with dedicated real-time quote systems can insert the symbols into their own applications.

The user begins by installing the Quotes Plus (the data provider) downloader and the HGSi program from a CD. A subscription to Quote Plus’s data service is necessary to update the data each evening. The data is updated either via a web connection or dialing directly into QP’s server. The CD contains ten years of historic daily price data on over 9000 stocks.

After installation, the software downloads any data since the date on the history CD. It also looks for and installs any updates to the HGSi software. Once installed, the software takes between fifteen and forty-five minutes to create and organize its data files. Daily updates take only a few minutes.

Industry Monitors established the 154 industry groups and the stocks in each group. The group makeup is similar to what you’d find in Barron’s. The user can also create a “new” industry group. For example, if the user wanted to create a group that included the five largest cap NYSE, AMEX, and NASDAQ stocks, this new group can be created, the group’s price tracked on a daily basis, and best of all, charted! The makeup is modified appropriately as new issues are brought to market.

No price data maintenance on the part of the user is required. Quotes Plus handles all data maintenance and the rare error that is found is resolved in a day or two. The fundamental data is provided by Market Guide. It too is known to have a few data errors from time to time and these also are typically resolved in a few days.

With the HGSi investor software, you can:

1. Track movement in industries and sectors.
2. Be proactive in identifying and responding to trends in relevant markets, sectors and industries.
3. See which stocks or ETFs are reaching new highs or lows. See the number of advancing or declining stocks in comparable market indexes.
4. Track real-time data for your portfolio or any custom group using the QuoteTracker integration.
5. Make buying or selling decisions based on up-to-the-minute data.
6. Find the best stocks, ETFs or mutual funds for your investment strategy.
7. Search for stocks and ETFs using our easy-to-use filter language to create a list of potential candidates.
8. Analyze for chart patterns using candlesticks, moving average crossovers, Wilder directional movement and more. There are over 50 charting indicators which can be selected.
9. Use pre-made SmartGroup searches, designed for various styles of investing such as dividend investing or growth investing or ETF investing. SmartGroups are filter created groups that are updated each time you update the stock database.
10. Refine your search by ranking stocks according to the criteria you select. Choose from over 400 technicals and fundamentals, such as Relative Strength Price-to-Sales Ratio (used by Charles Kirkpatrick
in his work in conjunction with price relative strength, Up/Down Volume Ratio, Earnings Rank or Revenue Rank.

11. Use filters developed by Charles Kirkpatrick to select stocks using three different portfolios: value, bargain and growth. The Value and Bargain were previously implemented in HGS Investor. Now the Kirkpatrick Chart Pattern warehouse column and filter for the Growth portfolio have been added.

12. Use filters developed by Larry Connors to find ETFs that match the seven strategies Connors and Cesar Alvarez wrote about in their book, “High Probability ETF Trading.”

The capture below provides a view of how ETFs are arrayed in different groups for analysis – by category, bull or bear, and by family. And of course you can customize the scan you want to see and save it for future analysis.

HGSI offers a variety of modules from which the user can organize and/or view fundamental and technical data on stocks. They are:

**Designer**

Designer visually creates and manages groups of securities. You can design sectors, groups, portfolios, etc., interactively using filters, mouse drag and drop, etc. It is a high powered group database design tool.
All groups are generated with an index and updated daily. Indexes can contain filters, start date and choice of: Equal Dollar Weighted, Market Weighted, Price Weighted, Average Price index computation. Please see the image below for how this module appears:

![Module Image]

**Filter**

A powerful capability that extracts securities meeting a specific set of user defined criteria. Over 200 data fields are available as criteria. All that is needed is your imagination to build a criteria filter to find the best of the best.

Below is an example:

<table>
<thead>
<tr>
<th>Field name</th>
<th>Operator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symbol</td>
<td>Does Not Contain</td>
<td>P</td>
</tr>
<tr>
<td>And Last Close</td>
<td>&gt;</td>
<td>5,0000</td>
</tr>
<tr>
<td>And 50 DMs Vol</td>
<td>&gt; =</td>
<td>4,0000 00</td>
</tr>
<tr>
<td>And % EPS Ehr</td>
<td>&gt;</td>
<td>0,0000</td>
</tr>
<tr>
<td>And % EPS Pht</td>
<td>&gt;</td>
<td>0,0000</td>
</tr>
<tr>
<td>And RS Rk</td>
<td>&gt; =</td>
<td>80,0000</td>
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<tr>
<td>And HGS ERG Rk</td>
<td>&gt; =</td>
<td>210,0000</td>
</tr>
<tr>
<td>And 50 DMs Slope</td>
<td>&gt;</td>
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</tr>
<tr>
<td>And % AvId</td>
<td>&gt;</td>
<td>0,0000</td>
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<tr>
<td>And Days Since Div1 DI Crossover</td>
<td>&gt;</td>
<td>1,0000</td>
</tr>
<tr>
<td>And Days Since Div2 DI Crossover</td>
<td>&gt;</td>
<td>0,0000</td>
</tr>
</tbody>
</table>

**Warehouse**

This module is a window to display over 200 data fields for the entire database or just a particular group. Ranking can be accomplished on any data elements including EPS Rank, RS Rank, Group Rank, ERG (a composite score of EPS Rank, RS Rank, and Group rank) and many more.

When used in conjunction with filters, a variety of security lists can be produced. Lists can then be saved as a new High Growth Stock group or exported as an ASCII tab delimited text file and opened in Excel or other programs for additional analysis.

A variety of display layouts can be created and saved. The HGS Scorecard is a standard display layout that can be selected to show the seven unique HGS Indicators. As an option, a standard filter can also be associated with a display layout. Anytime that particular layout is selected the standard filter will be automatically activated.

An example of what the Warehouse screen looks like is as follows:
Note the little triangle to the left of the column labeled ERG. That tells you this list of stocks is ranked in descending (from high to low) ERG order. By clicking on the column header, the list may be viewed in either ascending or descending order. The Symbol column may be ranked in normal alphabetical or reverse alphabetical order. You can create a three level sort if you use the Sort dialog rather than just click on the column headers. With the dialog you can pick the three parts of the sort and the direction of each.

**Ranking**

A colorful spreadsheet window that displays the current and historical relative strength price performance ranking of companies collected together as a group, e.g., industry groups, portfolios, baskets, etc, or uncollected. It can also rank indexes collected together as a group, e.g., industry indexes, market indexes, portfolio indexes, etc. A color-coded ranking scale of 1-99 is used to rank the group on relative strength, acceleration, and velocity.

Ranking may be performed according to any one of several different relative strength types, including:

- Two proprietary formulas
- Wilder RSI for a variable number of weeks
- Percent Change for a variable number of weeks

Below is an example of what the Ranking screen looks like:

![Ranking Screen Example](image)

Note the color coding: Green means Good, Red means Bad, and Yellow means Caution. Ranking is a very powerful tool that allows the user to visually see changes in relative strength over time. It is from here that I calculate the Top 10 Groups list I post to the MTA e-mail list on weekends.

**Charting**

The charting window incorporates panel technology to let the user display security fundamental data while viewing the historical price and volume data using a variety of technical indicators.

**Features:** Cross hair read out, Fibonacci Lines, Fundamental Data Panels, Log Scale, Scrolling, Trend Lines, Volume, Multiple Windows, Multiple Views, Chart Annotations, Daily/Weekly/Monthly/Quarterly/Yearly, Custom
The performance of any group created in HGSI can be instantly transferred to a web-based real time service provider such as Quote Tracker with a right mouse click.

The table below shows approximately 33 of the over 50 indicators that can be used with HGS Charting. Indicators can be added to any of the chart windows as an overlay using a private scale.

<table>
<thead>
<tr>
<th>Category</th>
<th>Comment</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| Price & Volume |                          | ● Price  
                                       ● Volume                                        |
| Moving Averages|                          | ● Average True Range (ATR)  
                                       ● Average True Range Bands  
                                       ● Bollinger Bands  
                                       ● High Jump  
                                       ● MACD  
                                       ● Moving Average  
                                       ● Moving Average Crossover  
                                       ● Moving Average Slope |
| Momentum       |                          | ● % A/D (JAD)  
                                       ● Accumulation/Distribution  
                                       ● Chaikin A/D Oscillator  
                                       ● Chaikin Money Flow  
                                       ● On Balance Volume (OBV)  
                                       ● TRIX |
| Relative Strength|                          | ● Relative Strength, Comparative  
                                       ● Relative Strength Index (RSI) |
| Other          |                          | ● Additional Security  
                                       ● ARMS Index  
                                       ● Bear Power  
                                       ● Bull Power  
                                       ● Commodity Channel Index (CCI)  
                                       ● Coppock  
                                       ● Directional Movement  
                                       ● % Down From High)  
                                       ● Force Index  
                                       ● Group Index  
                                       ● Rate Of Change (ROC)  
                                       ● Spread  
                                       ● Stochastic Oscillator  
                                       ● StockRSI  
                                       ● U/D Volume Ratio  
                                       ● Visual Filter Backtest |

The Visual Filter Backtest is a unique indicator. It will use any HGS filter assigned by the user to annotate the chart anytime the conditions of the filter are true. This provides a visual display of the filters performance.

Below are two examples of HGSI charting in action. The first is a daily price chart of UNTD in candlestick format, with several technical indicators applied. Note how fundamental data and ERG ranks are displayed above the
price chart. There are five pages of fundamental data and description that may be displayed with the chart, but only one data/description page at a time. The pages are:

1. EPS/Revenue information for the last eight quarters.
2. Business description, sector, industry group, and SIC code.
3. Last close; average closing price over various time periods; 52 week high and low; and 50 day average of volume.
4. EPS and Revenue per share for the most recent quarter; trailing twelve month EPS and Revenue data; Percent change in twelve month EPS and Revenue data.
5. Div Yield; % Institutional held; Beta; BkVal/Sh; Cash Flow Per Share; Float; Market Cap; Pr/Book Val; Pr/Sales; ROE; ROE/PE; Shares Outstanding; and Short Interest.

The last eight quarters of earnings and revenues, volume, price history, market cap, P/E, yield, and many other metrics provided by Market Guide can easily be viewed while the chart is displayed. See the up and down arrows on the right hand side of the fundamental panel? Those arrows let the user scroll forward or backward through the data/description pages. The data/description pages scroll independent of the price chart.

This second chart shows the Visual Filter Backtest in action. Make up a filter, assign it to the special VFB indicator and instantly see the chart annotated with vertical colored lines every time the filter conditions are true or false.
Despite its name, the Visual Filter Backtest is not a true backtesting tool. It does not allow the user to apply a set of filter conditions at some date in the past and calculate what the return would have been over some defined future time period. Nonetheless, the ability to visually see when a filter is “working” is a valuable tool. For example, an upside breakout filter applying the VFB might display Green during a period when the stock is moving higher on volume greater than the 50-day average of volume.

The table below shows over 200 data fields that can be used with HGS search filters or to build Warehouse spreadsheets for groups of securities:

<table>
<thead>
<tr>
<th>Category</th>
<th>Comment</th>
<th>Data For Filters or Warehouse Spreadsheet Display</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chart Indicators</td>
<td>Data fields derived from charting indicators. Useful for being able to filter on indicator values</td>
<td><strong>AVERAGE DIRECTIONAL INDEX</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- ADX</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- ADX 1-Dy %Ch</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- ADX Slope</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Days Since ADX crossed Di-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Days Since ADX crossed Di+</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Days Since Di+/Di- crossover</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Di+/Di- Crossover Direction</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>MOVING AVERAGE CONVERGE/DIVERGE</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- MACD Percent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- MACD 1-DY % Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- MACD Slope</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Days Dn Since MACD Signal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Days Since MACD Signal</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>STOCHASTIC OSCILLATOR</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Stochastic %K</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Stochastic 1-Dy Change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Stochastic Slope</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Days Dn Since Stochastic Signal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Days Since Stochastic Signal</td>
</tr>
<tr>
<td>Chart Patterns</td>
<td>Data fields useful for filter searches looking for chart patterns where up and/or down moving averages crossovers are occurring over the close or another moving average</td>
<td></td>
</tr>
</tbody>
</table>
| DAYS DOWN SINCE CROSSOVER | Days Dn Since 4 DMA CO  
Days Dn Since 9 DMA CO  
Days Dn Since 13 DEMA CO  
Days Dn Since 17 DMA CO  
Days Dn Since 22 DEMA CO  
Days Dn Since 50 DMA CO  
Days Dn Since 200 DMA CO  
Days Dn Since 4 DMA Crossed 9 DMA  
Days Dn Since 4 DMA Crossed 17 DMA  
Days Dn Since 9 DMA Crossed 17 DMA  
Days Dn Since 17 DMA Crossed 50 DMA |
| DAYS SINCE CROSSOVER (UPWARD) | Days Since 4 DMA CO  
Days Since 9 DMA CO  
Days Since 13 DEMA CO  
Days Since 17 DMA CO  
Days Since 22 DEMA CO  
Days Since 50 DMA CO  
Days Since 200 DMA CO  
Days Since 4 DMA Crossed 9 DMA  
Days Since 4 DMA Crossed 17 DMA  
Days Since 9 DMA Crossed 17 DMA  
Days Since 17 DMA Crossed 50 DMA |
| Company | Various information about the company |
| OTHER | Crossover 17/50/200 DMA  
Crossover Close/17/50/200  
Last Close > 17 DMA |
| Fund-Earnings | Earnings data fields useful in identifying earnings strength, change and growth for various periods of time |
| OTHER | Force Index (Part of Elder Bull/Bear/Force sys)  
Hi Jump (Ian Woodward indicator. Identifies extended stocks by looking at the % Ch from the 17, 50, 200 DMA to the high of the day) |
| HGS EARNINGS UNIQUE FIELDS | % OScore (The score a security obtains for consistent, continuous consecutive improvement in EPS and revenue over 8 qtrs)  
CQIE (continuous qtr improvement in earning)  
CYIE (continuous yr improvement in earning) |
### % OF EARNINGS PER SHARE
- % 1Yr EPS Gr
- % 1Yr EPS Gr (TTM)
- % 5Yr EPS Gr
- % EPS Chg
- % EPS Prev
- % EPS Proj 3-5 Yrs
- % EPS Proj CFY
- % EPS Proj CQ
- % EPS Proj NFY
- % EPS Proj NQ

### EARNINGS PER SHARE
- EPS Current FY Est
- EPS Current FY Yr Ago
- EPS Current Qtr Est
- EPS Current Qtr Yr Ago
- EPS Next FY Est
- EPS Next Qtr Est
- EPS Next Qtr Yr Ago
- EPS TTM

### PRICE / EARNINGS RATIO
- P/E High TTM
- P/E Low TTM
- P/E on CY Est
- P/E on Ny Est
- P/E TTM

### PEG RATIO
- PEG on CY Est
- PEG on Ny Est
- PEG TTM

### QUARTERLY EARNINGS
- QEPS
- QEPS Date

### Fund-Revenue
Revenue data fields useful in identifying revenue strength, change and growth for various periods of time

### HGS REVENUE UNIQUE FIELDS
- % OScore (The score a security obtains for consistent, continuous consecutive improvement in EPS and revenue over 8 qtrs)
- CQIR (continuous qtr improvement in revenue)
- CYIR (continuous yr improvement in revenue)

### % REVENUE
- % 1Yr Rev Gr
- % 1 Yr Rev Gr (TTM)
- % 5Yr Rev Gr
- % Rev Chg
### Fund-General

<table>
<thead>
<tr>
<th>Data fields</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Rev Prev</td>
<td></td>
</tr>
<tr>
<td>QREV</td>
<td></td>
</tr>
<tr>
<td>QREV Date</td>
<td></td>
</tr>
<tr>
<td>Rev TTM</td>
<td></td>
</tr>
<tr>
<td>Rev/Share TTM</td>
<td></td>
</tr>
</tbody>
</table>

### Revenue

<table>
<thead>
<tr>
<th>Data fields</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Div Yld</td>
<td></td>
</tr>
<tr>
<td>% Flt/Shrs Out</td>
<td></td>
</tr>
<tr>
<td>% Instit</td>
<td></td>
</tr>
<tr>
<td>% Shrt Int/Flt</td>
<td></td>
</tr>
<tr>
<td>Analyst B/S Rec</td>
<td></td>
</tr>
<tr>
<td>Analyst B/S Rec Chg</td>
<td></td>
</tr>
<tr>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>BkVal/Sh</td>
<td></td>
</tr>
<tr>
<td>Cash Flow Per Share</td>
<td></td>
</tr>
<tr>
<td>Cash Flow Per Share/EPS TTM</td>
<td></td>
</tr>
<tr>
<td>Float</td>
<td></td>
</tr>
<tr>
<td>Long Term Debt to Equity Ratio</td>
<td></td>
</tr>
<tr>
<td>Mkt Cap</td>
<td></td>
</tr>
<tr>
<td>Pr/Book Val</td>
<td></td>
</tr>
<tr>
<td>Pr/Sales</td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td></td>
</tr>
<tr>
<td>ROE/PE</td>
<td></td>
</tr>
<tr>
<td>Shrs Out</td>
<td></td>
</tr>
<tr>
<td>Shrt Int</td>
<td></td>
</tr>
<tr>
<td>Yrly Div</td>
<td></td>
</tr>
</tbody>
</table>

### Industry

<table>
<thead>
<tr>
<th>Data fields</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td></td>
</tr>
<tr>
<td>SIC</td>
<td></td>
</tr>
<tr>
<td>SIC Description</td>
<td></td>
</tr>
</tbody>
</table>

### Rankings

<table>
<thead>
<tr>
<th>Data fields</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combo Ranking – a ranking based on the combined weighted values of any data elements in the database selected by the user</td>
<td></td>
</tr>
<tr>
<td>EPS Rank</td>
<td></td>
</tr>
<tr>
<td>RS Rank</td>
<td></td>
</tr>
<tr>
<td>Group Rank</td>
<td></td>
</tr>
<tr>
<td>ERG (sum of EPS RK+RS RK+GRP RK)</td>
<td></td>
</tr>
</tbody>
</table>

### Raw Rank

<table>
<thead>
<tr>
<th>Data fields</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Combo Ranking</td>
<td></td>
</tr>
<tr>
<td>Raw EPS</td>
<td></td>
</tr>
<tr>
<td>Raw Grp</td>
<td></td>
</tr>
<tr>
<td>Technicals</td>
<td>Data fields primarily based on current and historical price and volume information</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>ACCUMULATION/DISTRIBUTION</strong></td>
<td></td>
</tr>
<tr>
<td>• % A/D</td>
<td></td>
</tr>
<tr>
<td>• % A/D Vel</td>
<td></td>
</tr>
<tr>
<td>• A/D Dir</td>
<td></td>
</tr>
<tr>
<td>• A/D Vel Dir</td>
<td></td>
</tr>
<tr>
<td><strong>% CLOSE OVER OTHER VALUE</strong></td>
<td></td>
</tr>
<tr>
<td>• % Cl/13 DEMA</td>
<td></td>
</tr>
<tr>
<td>• % Cl/17 DMA</td>
<td></td>
</tr>
<tr>
<td>• % Cl/22 DEMA</td>
<td></td>
</tr>
<tr>
<td>• % Cl/50 DMA</td>
<td></td>
</tr>
<tr>
<td>• % Cl/200 DMA</td>
<td></td>
</tr>
<tr>
<td>• % Cl/52 Hi</td>
<td></td>
</tr>
<tr>
<td>• % Cl/52 Lo</td>
<td></td>
</tr>
<tr>
<td><strong>% PRICE CHANGE</strong></td>
<td></td>
</tr>
<tr>
<td>• % Gap</td>
<td></td>
</tr>
<tr>
<td>• % Pr Ch 1-Dy</td>
<td></td>
</tr>
<tr>
<td>• % Pr Ch Bgn-Wk</td>
<td></td>
</tr>
<tr>
<td>• % Ch 5-Dy</td>
<td></td>
</tr>
<tr>
<td>• % Pr Ch 10-Dy</td>
<td></td>
</tr>
<tr>
<td>• % Pr Ch 15 Dy</td>
<td></td>
</tr>
<tr>
<td>• % Ch 21-Dy</td>
<td></td>
</tr>
<tr>
<td>• % Pr Ch Qtr</td>
<td></td>
</tr>
<tr>
<td>• % Pr Ch Bgn-Yr</td>
<td></td>
</tr>
<tr>
<td>• % Pr Ch 12-Mo</td>
<td></td>
</tr>
<tr>
<td><strong>HIGH’S AND LOW’S</strong></td>
<td></td>
</tr>
<tr>
<td>• 52Wk Hi</td>
<td></td>
</tr>
<tr>
<td>• 52Hi Date</td>
<td></td>
</tr>
<tr>
<td>• 52 Wk Hi Days Since</td>
<td></td>
</tr>
<tr>
<td>• 52Wk Low</td>
<td></td>
</tr>
<tr>
<td>• 52 Lo Date</td>
<td></td>
</tr>
<tr>
<td>• 52 Wk Lo Days Since</td>
<td></td>
</tr>
<tr>
<td>• Days Close is High</td>
<td></td>
</tr>
<tr>
<td><strong>LAST PRICE AND VOLUME</strong></td>
<td></td>
</tr>
<tr>
<td>• Last Close</td>
<td></td>
</tr>
<tr>
<td>• Last Close Net Ch</td>
<td></td>
</tr>
<tr>
<td>• Last Date</td>
<td></td>
</tr>
<tr>
<td>• Last High</td>
<td></td>
</tr>
<tr>
<td>• Last Low</td>
<td></td>
</tr>
<tr>
<td>• Last Open</td>
<td></td>
</tr>
<tr>
<td>• Last Vol</td>
<td></td>
</tr>
<tr>
<td><strong>MOVING AVERAGES</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: Raw values are actual numbers used to compute the 1-99 rankings. Viewing a sorted display of the raw values provide much more accuracy than looking at the 1-99 percentile rankings.
The user can view a variety of fundamental and technical data on either a group or individual stock. The stocks in a group (or all stocks) can be ranked according to any one of the data elements. For example, I can find the ten industry groups with the best relative performance over the past three weeks, and then I can rank the individual stocks in each group according to their relative performance over the past week. Finding the “best of the best” couldn’t be easier!

A very useful feature is “combo ranking,” the ability to assign greater or lesser weight to any one of the 200 or more data fields. For example, if I want to emphasize EPS growth and de-emphasize Relative Strength, I can do so by assigning weight values of 2.0 to the former and 0.50 to the latter. This unparalleled flexibility means I get to decide what’s important, not the software’s programmers as would be the case with most “black box” software.

The software’s most powerful tool is its filtering capabilities. The user can filter the universe of stocks using various combinations of the 200 or more data fields. Ten years ago I would spend the entire weekend pouring through the Daily Graphs books looking for stocks that met my criteria. Now I can accomplish that task in literally minutes. The increase in my productivity is immeasurable.

After selecting those stocks that best fit the user’s criteria, one click brings up HGSI’s charting module. As you saw above, many of the familiar technical analysis indicators are available. Multiple indicators may be plotted simultaneously on the same chart. Daily, weekly, and monthly views are available at the click of the mouse or through a hot-key (HGS calls them Keyboard Accelerators) combination. For example, Alt-D gives you a daily chart, Alt-W a weekly, and Alt-M a monthly chart. There are 13 such hot keys in the software.

The developers of HGSI go all out to support the product. While the software does not come with a printed user guide, context-sensitive help screens are available. An active message board is available where dozens of regular users post questions and answers, share ideas, exchange filters, and help the user, whether a novice or expert, better understand how to maximize the capabilities of HGSI.

Queries to the developers with technical difficulties are responded to promptly. After updating the latest version of the software I experienced an inability to access the HGSI web site. After spending an hour trying to self-diagnose the problem, I ran up the white flag and e-mailed the developers for help. Within a couple of hours I
received a response and over the next twelve hours, we exchanged numerous e-mails as I responded to their requests to run this and check that, and send them various files generated by my system. They isolated the problem that evening to my firewall and e-mailed me instructions on how to fix it. Now that’s customer service!

One of the most valuable services HGSI offers is a three-day seminar/workshop in Palos Verdes, CA, taught by Ian Woodard and Ron Brown, developers of the High Growth Stock investing methodology. This seminar is offered twice during the year and attendees are known to come back for multiple sessions. A thorough grounding in HGS methodology, a comprehensive review of the HGSI software, and tips and tricks on how the user can maximize its capabilities, are covered at the seminars.

They also make available at no charge a weekly market report, highlighting the latest market and group changes and trends. The monthly, downloadable newsletter is a valuable resource, chockfull of ideas and filters. It’s not free but I find it very, very useful.

HGSI costs $599 with an annual renewal fee of $599. It requires a subscription to Quote Plus data, which is included in the annual fee. The seminar costs $200 per year. The seminar costs $1,250 and this includes lunch and all training materials. The seminar isn’t required to learn how to use the product. I have attended the seminar and while it’s not necessary to attend to learn how to use HGSI, it is very worthwhile.

Industry Monitors is offers a 60 day free subscription to HGS Investor Software that includes:

- Daily database updates for price, volume, fundamentals
- Weekly Market Reports
- Monthly Newsletters
- 10 Tutorial Movies
- License for 2 personal computers

This offer is shipped on CD with a database of approximately 9,000 securities containing up to 10 years of historical price and volume data plus current fundamentals. When available, fundamentals contain up to 12 quarters of EPS and Revenue data.

At the end of the free subscription you can continue the benefits of using HGS Investor software and data uninterrupted by purchasing the annual subscription. Refunds are guaranteed for the unused portion of the purchased subscription. Follow this link to subscribe: https://www.highgrowthstock.com/Order/order-main2.asp

The software is constantly evolving and improving, in part due to the suggestions by users as to features they would like to see, e.g., new filters and strategies. New builds typically are released 2-3 times per year.

The developers are traders themselves and it shows in the versatility of this product. I have used HGSI software for almost ten years and it has become an integral tool in my business. I’ve installed it on both my desktop and laptop so I always have it available, even when I’m on the road. It does have competition out there but at a cost of tens of thousands of dollars. HGSI enables me to significantly reduce the time it takes to find stocks and ETFs that meet my criteria for purchase, giving me more time to monitor the overall condition of the markets and the institutional portfolios I manage. The flexibility it affords me to tailor searches to meet my criteria is what makes it so valuable.

Dave Steckler is an investment advisor with Global Investment Solutions, LLC, a Registered Investment Advisor. A former MTA member and a current member and past president of the American Association of Professional Technical Analysts, Dave is also a speaker, reviewer, and contributor to technical analysis publications and financial web sites like TradingMarkets.com, Barrons On-Line, and DTI. His current market thoughts and ideas on trading strategies can be found on his blog, www.etfroundup.com.
MTA May Symposium - Pictures and Archived Presentations Available!

The 2010 May Symposium was a great success with over 250 total attendees! The Market Technicians Association would like to extend their gratitude towards all those who attended, presented, and sponsored the event. Please click here to view the recorded presentations and a slideshow of pictures taken by the MTA Staff at this year's event. Enjoy!

MTA Annual Meeting Results - Board of Directors Announcement

At the MTA Annual Meeting (May 22nd) our member's proxy votes were counted and the recommended Board slate of officers and at-large directors were approved. Effective July 1st, 2010 David Keller, CMT will serve as President; Timothy Snavely, CMT, CFA as Vice President; Craig Fullen, CMT, JD as Treasurer; and Sam Levine, CMT, CFA as Secretary. The new directors-at-large will be Ralph Acampora, CMT and Jeffery Lay, CMT.

MTA Library - New Additions!

The MTA would like to announce the additions of Harmonic Trading: Volumes 1 and 2 by Scott Carney to the MTA Library. If you have any suggestions of books that should be included in the Library, please contact Cassandra Townes.

MTA Educational Web Series - Upcoming Schedule!

Registration is now open for the presentation "Teaching Old Dogs New Tricks - Enhancing Your Trading Systems with Artificial Intelligence" featuring Kevin Moore, CFA, CMT on June 16th at 12:00 PM EST. To register for this webcast please click here. To view the entire schedule of upcoming webcasts please visit the Educational Web Series page at mta.org.

MTA Podcast Series - Upcoming Schedule!

The MTA is pleased to announce the interview featuring Doug Roberts (June 8th) will available through the Podcast Series. Visit the MTA Podcast Series page to listen to this podcast and subscribe to our RSS feed, where you'll receive updates automatically every week.

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