Letter from the Editor

Dr. Hank Pruden will receive the Mike Epstein Award later this month. The MTA Educational Foundation created this award to recognize those who make significant contributions to technical analysis in the academic community. Hank is without a doubt a worthy recipient.

The MTA Educational Foundation was founded in 1993 to create and fund educational programs in the field of technical analysis. The mission was later expanded to include the creation and support of a complete technical analysis curriculum to be taught for credit in colleges and universities around the world.

By the time the Foundation was established, Hank had almost twenty years experience in teaching technical analysis at the university level. He created not only a course, but was instrumental in developing a graduate-level certificate in technical analysis at Golden Gate University. Hank has long taught two courses in the Wyckoff Method, and has written a book that can be used at the Master’s degree level.

In addition to representing the field of technical analysis in academia, Hank has a long history of success in the MTA and IFTA. He has presented to audiences around the world, and served as a roving global ambassador for technical analysis.

Technically Speaking is honored to be among those extending congratulations to Hank on this well deserved recognition.

Sincerely,

Mike Carr, CMT

MTAEF to Honor Dr. Hank Pruden with the Mike Epstein Award

Well known for many years as a global expert in technical analysis, Dr. Hank Pruden will be recognized for his academic accomplishments on November 10th by the MTA Educational Foundation. At the Second Annual MTAEF-MTA Library Fund-Raising Event, Hank will become the second recipient of the Mike Epstein Award.

The award is presented to practitioners who have demonstrated a long-term commitment to technical analysis in academia and in practice. The first recipient was Andrew Lo, Ph.D., director of laboratory for Financial Engineering and professor of finance at MIT Sloan School of Management.

Hank has been active in technical analysis for many years, and began teaching at Golden Gate University more than 30 years ago in large part because the school would allow him to offer a course in technical analysis. At that time, Golden Gate became the first institution of higher learning in the world to offer courses in technical market analysis. In 1998, encouraged by both international and national interest in the subject, the university once again demonstrated its leadership in the fields of education and technical analysis by offering a graduate-level Certificate in Technical Market Analysis. It was the first such certificate ever offered by a university. Today, Golden Gate is the only regionally accredited school offering a certificate in technical analysis as part of an MBA program.

Golden Gate’s leadership in education reflects Hank’s dedication to the study of technical analysis. Two of the
courses required for the certificate are based on the Wyckoff Method. There is no doubt that Hank is the leading expert in this specialty. He has applied it personally and professionally for a number of years, and never shies away from offering his long-term forecasts in public.

Currently, Hank thinks we are in a primary bull market. He recently wrote an article for the IFTA Journal with an unusually clear summary. He wrote, “In conclusion, the expectation is for the Dow Industrials to rise into the price objective zone of 17,600-19,200 before the onset of the next primary trend bear market.” The entire article can be downloaded at http://www.mtaeducationalfoundation.org/documents/Wyckoff_Pruden.pdf

Mike Epstein and Hank Pruden both understood the importance of technical analysis in practice and in academia. The 2010 winner of the Award has a lifetime of accomplishments based on that philosophy.

Member Profile: Henry Pruden, Ph.D

CAREER

Hank Pruden is an internationally-known educator and speculator. He is a professor in the School of Business at Golden Gate University in San Francisco, California where he has been teaching for more than 20 years. Hank is more than a theoretician; having actively traded his own account for more than 30 years he has placed real equity at risk based upon the theories he teaches. His personal involvement in the market ensures that what he teaches is practical for the trader, and not only abstract academic theory.

At Golden Gate he developed the accredited courses in technical market analysis in 1976. Since then the curriculum has expanded to include advanced topics in technical analysis and trading. In his courses Hank emphasizes the psychology of trading as well as the use of technical analysis methods. He has published extensively in both areas.

Hank has mentored individuals and institutional traders in the field of technical analysis for many years. He is currently on the Board of Directors of the Technical Securities Analysts Association of San Francisco and is past president of that association. Hank was also on the Board of Directors of the MTA and has served as vice chair of the Americas with IFTA. For eleven years Hank was the editor of The Market Technicians Association Journal. From 1982 to 1993 he was a member of the Board of Trustees of Golden Gate University.

Hank completed his Ph.D. (with honors), at Lundquist College of Business, University of Oregon. He also holds an MBA from the Haas School of Business, University of California, Berkeley and a Bachelor’s of Science degree from California State University, Chico.

Professor Pruden, has also served as a visiting professor/visiting scholar at Euromed-Marseille Ecole de Management in Marseille, France. In collaboration with other professors at Euromed-Marseille, Hank co-authored several articles. With Dr. Bernard Belletante, Hank published a real-time test of the Wyckoff method projecting a new bull move in the DJIA in the IFTA Journal. The Journal of Technical Analysis also published his work with Dr. Bernard Paranque and Dr. Walter Baets.

Hank has long been active in promoting technical analysis in the international community. He helped to launch the Brazilian Technical Society and has been a keynote speaker in Brazil, Argentina and Mexico. Bilingual in Spanish, Hank has been able to address complex and sensitive financial and intercultural issues without the confusion or misunderstanding of translation

EDUCATIONAL PHILOSOPHY

For over a quarter of a century, Hank has taught technical analysis at the university level. A popular scholar, he has won multiple “best teacher and best scholar” awards based upon his ability to be easily understood by motivated beginners in finance and by experienced professional investors. Exposure to investment professionals during that time resulted in feedback as to what works best, resulting in continuous improvements in the curriculum. Getting students to progress from the definition level of instruction to application of theory has proven to be the greatest educational challenge during that time.

Hank discovered that the same approaches cannot be applied at both beginning and advanced levels. Over the years Hank has taken his own academic theories and secondary research to develop the innovative, workable model, the ACTION SEQUENCE METHOD for building the skills and knowledge of intermediate learners of
technical analysis. (The ACTION SEQUENCE is fully explained in the Journal of Technical Analysis article, “System States of Pedagogy and the Action Sequence Model” (Issue 58, Summer-Autumn 2002). While the Action Sequence Model may be very roughly thought of as paper trading, the model includes extensive feedback and replays the original sequence incorporating lessons learned from the previous experience. Hank emphasizes that the replay portion of the model is critical. In this way, the student is being trained to react appropriately to future market circumstances. As a consequence of the efforts of Hank and his colleague’s in the San Francisco financial community, Golden Gate University has the only academically accredited graduate certificate program in technical market analysis in the world.

ANALYTICAL FRAMEWORK

Being a teacher, Hank is able to define complex issues in simple terms. Applying this skill to trading, he found that traders like to use analogies to explain their world and to help them capture a deeper understanding of what it takes to be a complete, high performer. A favorite field from which to draw analogies is competitive athletics. One attractive analogy for the three part skills of the complete trader is the “triple threat” notion in football.

In the early 1950’s, TIME magazine ran a cover story on the then Princeton University All-American Dick Kazmier. The cover story was titled “A Triple Threat from a Single Wing.” Princeton’s football team operated out of a “single wing” formation. Kazmier personified the complete football player of his era: he was outstanding at the run, the pass and the kick. These three complementary talents, combined into one individual, made Kazmier an awesome competitor and an All-American performer. Applying this analogy to trading, Hank found that the 3-in-1 Trader must seek to develop a “triple threat” skill set. It is not running, passing and kicking, but rather:

1. Systems building
2. Pattern recognition
3. Mental state management

These three decision frameworks, illustrated in Figure 1, interact with each other and build on each other in a natural order of progression. A behavioral finance framework for system building provides the structure for integrating and interpreting indicators organized along the key dimensions of price, time, volume, and sentiment. A pattern recognition scheme for discretionary trading, such as the Wyckoff Method of chart reading and of technical analysis furnishes the trader with an almost ideal set of laws and principles that the trader can use as general guidelines to interpret chart patterns and to take action. A model of trader psychology for mental state control is needed for success in system or discretionary trading. Hank’s collaborative research with Dr. Van K. Tharp led to “The Ten Tasks of Top Trading,” a series of discrete contexts for selecting appropriate mental states and providing a logical and comprehensive sequence of tasks for the successful trader to follow. Pertinent papers can be found at http://www.hankpruden.com/tentasks.pdf.

Hank relies primarily on the Wyckoff Method of technical analysis. He likens this approach to Woody Hayes’ football philosophy at Ohio State - “three yards and a cloud of dust.” Although neither approach is fancy, both are effective and both produce winners.

Richard Wyckoff was a trader in the early-to-mid 1900’s. He tried to understand the logic behind market action. Like Hank Pruden, Wyckoff was able to explain complex issue in understandable terms, such as “Are you riding a dead horse? Get off and get a live one.” (from Fourteen Methods of Operating in the Stocks Market, 1909/24, as quoted by John Bollinger, CFA, CMT in Capital Growth Topics, May 18, 2001)

By studying the actions of Jesse Livermore, James Keen, J.P. Morgan, and other stock operators of his day, Wyckoff developed a trading system which sought to explain the boom and bust cycle in stocks. The Wyckoff Method uses price charts and volume studies to analyze and forecast the stock market. It also takes into account investor psychology and provides insight into why professional traders buy and sell stocks. Wyckoff emphasized the placement of stops and the importance of controlling the risk of any particular trade. Successful
implementation of his model allowed Wyckoff to own a mansion in the Hamptons.

A successful trader from Lebanon introduced Hank to this approach. After much study and practice, he realized this approach made a lot of sense to him, and it has been at the core of his analysis ever since. Hank also finds that teaching reinforces the concepts of the Wyckoff Method, and he has also found that most students who study this method are able to profitably employ it, given sufficient study and practice.

Hank has also sought to expand upon Wyckoff’s work. To this end, he has added some definition to several concepts. As an example, he has refined a checklist to identify market turning points during periods of consolidation. He has also added to the body of knowledge by creating a checklist to assess whether or not that consolidation will lead to a resumption of the prior trend. To obtain an overview of this investment tactic, readers may refer to Hank’s articles, “Wyckoff Laws: A Market Test” in the 2004 issue of the IFTA Journal and “Wyckoff Tests: Nine Classic Tests and Nine New Tests” which appeared in the Spring-Summer 2000 issue of the MTA Journal. This article is available at http://www.hankpruden.com/nineclassic.pdf.

Hank also has been working with Cusp Theory to study market behavior. In the Winter Spring 2004 issue of The Journal of Technical Analysis, Hank co-authors an article entitled, “Interpreting Data from an Experiment on Irrational Exuberance: Applying a Cusp Catastrophe Model and Technical Analysis Rules” which explains this effort. His co-authors Paranque and Baets are at the Euromed-Marseille Ecole de Management.

Cusp Theory is useful to explain the tools of technical analysis, and may provide the mathematical tools to explain why the Wyckoff Method works. In the experiment described in the Journal article, Hank and his co-researchers observed that a collective irrationality drove members of the group. Others chose not to participate in a clearly overvalued market, and thus had no chance of winning. However, disinterested, outside observers would have been able to spot the awaiting calamity just by watching the price patterns emerge. While technical analysis captures the patterns of human behavior, Cusp Theory explains that behavior. Hank feels that this may be among the greatest contributions of Cusp Theory - reinforcing the fact that despite a human tendency to seek complex answers, simple information such as trendlines may be highly predictive of future price movements.

HISTORICAL CALLS

In late 2004, Hank believes that the major trend indicators, such as classic Dow Theory and 200-day moving averages of the major indices, are the keys to understanding the current market. His Wyckoff analysis gave major signs of accumulation followed by the start of a cyclic bull market in 2002-2003. Adding cyclic analysis to the equation, he finds that we are in a dominant bull trend with expectable corrections until a top is reached, most likely in 2005. In “Wyckoff Laws: A Market Test,” published in the 2004 issue of the IFTA Journal, Hank and Professor Bellettante of Euromed-Marseille projected a target of 14,400 on the DJIA, expected to occur in 2005. Thereafter, as he explained in a May-June 2004 presentation in Mexico City, he anticipates a trading-range market reminiscent of the 1970’s.

Hank was wrong on the date. The top occurred at a price level of 14,198 in 2007. Although he underestimated the duration of the advance, this was an impressive forecast.

CLOSING ADVICE

Hank firmly believes that in knowledge, there is power. Those seeking to master technical analysis need to attain basic knowledge and practical skills of the field before risking their assets. Investors at all levels often underestimate the level of skill required in this profession. Hank encourages newcomers to read the books written by John Murphy and Martin Pring as a starting point. He also considers Edwin LeFevre’s classic “Reminiscences of a Stock Operator” to be required reading. Experiential learning is also valuable in this field; well guided experience can save a great deal of time and losses for new traders.

For more information about Hank’s work, please see www.hankpruden.com.

BACK TO TOP

A sample of a growing list of fundamental and technical courses is shown below. The courses are associated with global destinations and dates, both for open and private client formats. They are produced by various knowledge vendors throughout the world (some listed below). Specific details can be provided by contacting them, or John Palicka (palicka@pipeline.com).

Taught by John Palicka, CFA, CMT
Q&A with Kylie Jerg, CMT

How would you describe your job?

I trade Managed Derivative accounts for private clients and provide technical analysis to clients on a subscription basis. I also proved the technical overview of the market for our Office and retail client base.

What led you to look at the particular markets you specialize in as opposed to another tradable?

I trade predominantly Equity futures, CFD's and a small amount of Forex and this was really due to limitations in South Africa on tradable products. Single Stock Futures have only been readily accessible in S.A. since 2001 & CFD's in 2005/6, currency futures since 2007 (through YieldX, currency futures exchange). Only select Forex pairs are traded through YieldX. Limited commodities were available and this was mainly agricultural. In the past year precious metals and Oil have been introduced. Our market is still "new" in comparison to the U.S. and Europe, but we are growing fast.

Do you look at any fundamental or economic inputs to develop your opinions?

Yes I do I look at all the main Economic indicators such as GDP, CPI, unemployment etc, But as these are lagging indicators I look at them mainly to confirm my technical view. I look at the charts to give me the direction first and foremost.

What technique do you rely on the most? Can you describe this tool?

I use intermarket analysis, and ratio analysis / relative strength studies in conjunction with basic chart patterns to determine, primary, intermediate and short term trends. I have more recently started using Elliot wave more extensively. I do see the benefit in Elliot, and am spending as much time as possible on it but it is time consuming (and can be very frustrating!), especially when trying to determine larger trends. The only oscillator I work with is the RSI, which I use to determine trend i.e. Bullish (40-70 plus) and Bearish trading zones (65-20 and lower), "overbought / oversold within the zones mentioned. I like to see a failure swing (W or M) in the RSI to confirm direction entry, and also use it for divergence.

Can you share any longer-term market opinions?

Intermarket analysis I believe suggests Global markets are moving into a Stage 5/6 of the Business cycle i.e. Bonds have turned and confirmed Top Patterns. The 30 year T-Bill peaked in April and confirmed a double top by the break of the neckline in June 2010. (The 10 year note was earlier). Bonds lead equities particularly at tops. There are a number of non conforming points to this argument, for example; Market tops are generally associated with High inflation, this is not the case at present and obviously economic expansion, which is also not the case. Commodities have rallied sharply in the past few months particularly precious metals and these generally perform in the latter stages of the business cycle. I have two alternative Elliot counts, both of which suggest a downside break on the S&P. The bullish count suggests that we are near completion of a wave B correction (which started in June – to date, this is a triple correction Flat/Zig Zag / Flat) and therefore to complete the Elliot 3 wave corrective sequence we can expect a wave C down, wave C should be similar to wave A (which is 145 points which gives me a target on the S&P of 996-989. (This would not tie in with the Intermarket view). The Alternative (Bearish count), suggests we are near completion of a Wave 2 Counter trend move – which started in June to date (same structure as mentioned above). This would suggest a Wave 3 down, and should once the 5 wave Structure is complete take the S&P to below the March 09 lows. If the S&P breaks below 989, I will favor the bearish count (which ties in better with the Intermarket view), As Wave 3 is usually the sharpest Wave we should be able to see this fairly soon. Either way the move from June to date is corrective in nature, i.e. choppy overlapping, and not impulsive.

What advice would you have for someone starting in the business today?

Study as much as possible, and if possible find someone who will guide you. Respect the market and if you do formulate a medium / long term view do not let that cloud your judgment on short term trades, the market can go higher (or lower) than we expect. If you intend trading the market you need to do this with real money (even if it is small amounts to start), simulating does not, in my opinion work. When you have real money on the table you will behave quite differently, trading requires discipline and Perseverance is key. You will make many bad trades / decisions, but you need to put your Ego aside and try again, there is no substitute for “learning the hard way”, and no better way to build a well disciplined approach.
**Spotlight Video: MTA Code of Ethics with Charles Comer**

Charles Comer led a discussion on ethics at the New York Region meeting in April 2008. This presentation is available in the On Demand Video Archives as well as the MTA Knowledge Base. To view it, please click [here](http://foallc.com/Templates/why_foa.html).

Ethics is an area that is often considered to be timeless. This is largely true, but ethics have evolved in the marketplace. Market manipulation and insider trading was widely accepted in the nineteenth century and first part of the twentieth century, but has been considered unethical, and illegal, bow for nearly one hundred years.

Charles began with a timeless concept – honesty is the best policy. While that’s a simple definition, he also offered a more complex one and defined ethics as a system or set of moral principles that guide conduct in any specter of human behavior. The MTA Code of Ethics is a set guideline for the behavior of CMTs, members, and affiliates. They supplement the law, and are actually a higher standard.

He began by reviewing the standards, something that members are required to do annually, but should consider doing more frequently. The Code of Ethics is readily available on the MTA website.

Members have an obligation to know and abide by the rules and regulations. The SEC and FINRA place a number of requirements on professionals in the industry. The Code of Ethics supplements these rules and members and affiliates are bound to follow the highest standard.

He reminded us that we should reference membership in only a dignified, respectful, and professional way. Technical analysts are certainly not fortune tellers, and should base their forecasts on sound principles and express defensible positions. The bottom line is that this easy to follow, and rarely violated by true professionals. However, examples of unprofessional and undignified behavior can be found in the industry, and membership in the MTA truly acts to separate our members from charlatans.

Charles ran through a number of examples, set up as entertaining case studies. The questions are complex and watching this presentation is a valuable use of time. Ethics requires some thought, and these examples offer important insights to all professionals, but especially to CMT candidates.

The bottom line is fairly simple and straightforward. Many professionals can satisfy the ethical demands of our industry by placing the needs of clients first. It’s important to disclose fees and conflicts, and doing so can help to avoid any possible appearance of improper behavior. Charles in many ways was able to sum up the entire discussion in a single thought, ethical behavior is really just good business.

Charles S. Comer, CMT is the Principal for Investment Strategies at Family Office Advisors. Before co-founding Family Office Advisors, Charles S. Comer built a widely recognized career in the investment industry. Published in Barron’s and a frequent guest on television programs from Wall Street Week to CNBC to network programs, Mr. Comer’s 30 plus years of hands-on market experience gives Family Office the depth of investment perspective to capitalize on opportunities and to steer clear of pitfalls less seasoned investors might not recognize.

Mr. Comer’s reputation and extensive knowledge was recognized by his peers who elected him President of the New York Society of Security Analysts. He was also President of the Market Technicians Association. He remains active in those organizations and in other professional societies including the Association for Investment Management and Research (AIMR), where he is a member of the Disciplinary Review Committee, responsible for enforcing the Code of Ethics and Standards of Professional Conduct. He is a Certified Market Technician and holds the Series 7, 16, 24 and 63 registrations. He is registered with both the New York Stock Exchange (NYSE) and the National Association of Securities Dealers (NASD). He holds elected office on the Board of Trustees of the Village of Baxter Estates, Long Island, New York. He earned a B.A. in Economics and Foreign Trade at the University of the Americas in Mexico City.

Mr. Comer has served as the Strategist for Oppenheimer & Company. At Credit Lyonnais Securities, his most recent employer, he held the titles of Managing Director and Senior Vice President, Director of Research and Global Research Coordinator. His strategic vision has created a demand for his services at seminars and numerous teaching engagements.

For more information, please visit [http://foallc.com/Templates/why_foa.html](http://foallc.com/Templates/why_foa.html)

---

**Preferred Stocks: The Art of Profitable Income Investing by Kenneth G. Winans**

Reviewed by Mike Carr, CMT
At first glance, this book may appear to be an updated second edition of Ken’s 2007 book, Preferred: Wall Street’s Best Kept Income Secret. Although written only three years ago, that was actually a long time in the current investment environment. The first book is an overview on what was then an almost forgotten investment instrument. This book is a review of the basics, and a retelling of the dramatic events that have occurred in the past few years. In Preferred Stocks, Ken also provides practical advice on how to invest in an understudied asset class.

To study preferreds, Ken developed an index, the Winans International Preferred Stock Index. A benchmark is important to any investor, and this index allows for evaluating investment performance and offers a comparison for assessing the relative merit of potential investments. In mid-October, the index was up more than 22% and had a current yield of 7.13%. Since the introduction of this index, Standard & Poor’s has also introduced an index that tracks preferred stocks. Figure 1 shows the performance of the WIPSI from the beginning of 2009, showing the bear market which hit almost all assets at that time and the subsequent recovery.

Ken is an investment professional with an impressive list of accomplishments. As with so many in the field, it is impossible to rank the importance of any specific achievement, however, I think one of his greatest contributions to the investment community is the depth of his research. This book illustrates some of the unique data Ken has collected and offered to analysts. Figure 2 shows the performance of preferred stocks during market downturns.
During the 2008 financial hurricane, super investor Warren Buffett repeatedly turned to preferred stocks to deploy cash and take positions in companies that had common stock available for purchase. The US government also used preferred stock to fund bailouts in several companies. These investors saw the advantage of this stock class, and were able to create solid income streams from their investments. This book details the basics of investments like this, explaining where they belong in the corporate finance structure and how they meet income objectives of the purchaser.

*Preferred Stocks: The Art of Profitable Income Investing* includes detailed procedures for how to select individual issues. Fundamental analysis is presented, and completely detailed, almost in a checklist format. Technical analysis is then explained as a timing tool. Trading details are explained, an important consideration for thinly traded markets.

An innovative tool introduced in this book is the Winans Preferred Stock Chart.
As explained in the book:

The standard candlestick was modified for preferred stocks in order to be more effective in the following ways:

- To reduce price gapping and V price patterns caused by illiquidity or dividends, the charts are set in a logarithmic format for a weekly period and cover a five-year period. The candlestick format is perfect for this security because it identifies areas of support and resistance better than bar charts.
- Price and dividend yield scales are combined into one chart. Notice that the security’s yield is stated for each $5 level on the right hand side of the chart. Since it is important to look at the stock price and the level of dividend yield for each stock, this eliminates the need for constructing separate yield charts for each preferred stock.
- Volume on bottom of chart is also set in the logarithmic format and uses a least squares regression line (LSL red line) to better display high levels of volume.

This charting technique could be adapted for any market. Infrequent trading leads to frequent gaps in some charts, and this is one way to deal with that problem. Combining price and yield on a single chart can be useful for analyzing any fixed income investments. A log display of volume can offer insights on any long-term chart, and the LSL on the chart may offer significant information on short-term charts as well.

Ken Winans has delivered another important contribution to the investment literature. In keeping with the standard he set in his previous work, Preferred Stocks: The Art of Profitable Income Investing offers high quality and innovative research with strong visual appeal.

For more information about Ken and his work, please see http://kenwinans.com/.

Preferred Stocks: The Art of Profitable Income Investing is published by A Wealth of Wisdom LLC, Hawaii USA, this book is available from the publisher at www.aWealthOfWisdom.com or through booksellers such as Amazon.com.

Winans International Real Estate Index
In addition to completing groundbreaking work on preferred stocks, Ken Winans has also completed research on real estate prices. The WIREI is a valuable research tool, and standard technical analysis techniques can be applied to the chart.

This long-term chart shows that home prices were actually rather volatile in the first few decades of the twentieth century. After World War 2, they began an almost uninterrupted climb higher, until topping in 2007. This chart offers a benchmark index to evaluate potential investments against.

A more detailed chart can be used to spot turning points in home prices. Moving averages can be applied to the price data, and market internals can be studied. In the case of real estate, housing starts serve as a measure of potential supply. Home sales indicate demand. We can see that supply exceeds demand, and has for some time. This situation is usually accompanied by lower prices, and home prices have obeyed the laws of supply and demand.

Innovative work like this pushed the boundaries of technical analysis. Inspiration, and more more information, can be found at www.kenwinans.com.

Supertrends: Winning Investment Strategies for the Coming Decades by Lars Tvede

Reviewed by Mike Carr, CMT

Lars Tvede attempts to identify the most important changes to come in the future, and in this book his goal is to offer readers an understanding of "not only what will
happen, but also how and why.” An obvious question is whether or not this is an investment book, and in fact knowing which sectors are likely to experience growth tells traders which stocks could see gains, and perhaps even bubbles. While it’s difficult to spot bubbles in real time, this book potentially offers clues since significant change in the economy is frequently associated with irrationally exuberant episodes in the stock market.

At his web site, http://www.supertrends.com/supersectors/, Lars offers some insights that could help traders create watch lists of potential investment themes.

Seven sectors will do particularly well between 2010 and 2050:

- Finance
- The real estate sector
- The resources industry
- Alternative energy
- Luxury
- Genomics and biotech
- IT

In the book, he offers a detailed analytical framework that can be used to develop themes within these sectors:

- The combination of sector changes and super trends will also change people’s lifestyles. Some examples:
  - The fastest growing job markets will be creative jobs, service jobs where the human touch is valued, and storytelling.
  - In terms of lifestyles, there will be a trend towards creativity, individuality, and authentic charm.
  - Leading companies will hire media professionals to create their stories. This will be particularly popular in sports, finance, luxury and food/health.

Specifically, he moves beyond the realm of many forecasters and shows how to apply his ideas in Supertrends. This book isn’t simply the usual generic forecast of broad and dramatic change. Lars writes clearly explaining the basis of the future he envisions and allows the reader to understand how to take actions related to this vision.

Lars Tvede spent 11 years as a derivatives trader, portfolio manager and investment banker before moving to the telecommunications and software industries in the mid 1990s. Since then he has cofounded and seed-funded a number of high-tech companies and Beluga, a profitable trading company. He has also cofounded CarryQuote, a financial information provider. Lars lives in Sweden.

MTA Announcements

CMT Exam Fall Administration - Good Luck to All Participants!

With the Chartered Market Technician (CMT) Exam period beginning today, the Market Technicians Association would like to wish a special ‘good luck’ to all those who are sitting for CMT Levels 1, 2, and 3.

As we have discussed previously, candidates taking CMT Levels 1 and 2 will not receive immediate results at the test center but will receive a completion notification. You will receive your pass/fail results, in about six weeks, in an email from the MTA office. As in the past, CMT Level 3 candidates will not receive immediate results and can expect to get their results by the end of December. In addition, please refrain from discussing the contents of the exam or disclosing any information about the contents of this exam to anyone, whether in discussion forums, emails, face-to-face, etc. The MTA takes these matters very seriously.

MTA 2011 Annual Symposium at the New York Stock Exchange (NYSE) – Save The Date!

The MTA is pleased to announce that next year’s Annual Symposium will be held at the New York Stock Exchange (NYSE). This two day event will take place at this storied venue on May 12th – 13th, 2011. You’ll also enjoy an unprecedented networking event at a “never been done before” venue that is sure to be the best attended in the history of the MTA. Stay tuned – we’ll be revealing more details about the event in coming weeks. Meanwhile, save the date!

MTA/CSTA Toronto Annual Conference – Registration Is Now Open!
The MTA has been working with the Canadian Society of Technical Analysts (CSTA) on a two
day, co-branded event for our memberships to be held in Toronto, Canada on December 6th
and 7th, 2010. This event will feature a full lineup of presentations, panel discussions, and
networking opportunities. To date, the following is a list of confirmed speakers:

- Ernie Chen (EXP Capital Management LLC)
- Jeff Cheah, CMT (Thomson Reuters)
- Jose Cid (Leandro & Stormer Trader School and Technical Analysis Academy)
- Ryan Detrick, CMT (Schaeffer's Investment Research)
- Phil Erlanger, CMT (Phil Erlanger Research)
- Veronique Lashinski, CMT (Newedge USA, LLC)
- Gregory Morris (Stadion Money Management, Inc.)

Click here to register and to view the dedicated website created for this event. More information
to come shortly.

Registration Open for Two New Regional Seminars

The MTA is pleased to announce that registration is now open for the Southeast (USA)
Regional Seminar as well as the Northeast (USA) Regional Seminar. The Southeast (USA)
Regional Seminar will take place on Saturday, January 29th, 2011 in Charlotte, NC while the
Northeast (USA) Regional Seminar will take place on Thursday, March 3rd, 2011 in Boston, MA.

More details on both of these events will be made available soon. To register for either event,
please visit the Events Section of our Shopping Cart.

Other Industry Events of Interest

As a courtesy to the membership of the Market Technicians Association, Bloomberg has
extended the invitation for two of their upcoming regional events. See below:

Singapore Meeting - On November 16th, 2010 at the Bloomberg Office in Singapore. This one-
day event will feature several presentations by:

- Ivan Chang
- Paul Ciana, CMT
- Jim Connolly
- Phil Erlanger, CMT
- David Garrard
- Terry Gault
- Rick Knox
- Ernie Popke
- Dean Rogers
- Pascal Rosier
- Gregg Tan

Hong Kong Meeting - On Tuesday, November 19th, 2010 at the Bloomberg Office in Hong
Kong. This one-day event will feature several presentations by:

- Paul Ciana, CMT
- Phil Erlanger, CMT
- David Garrard
- Terry Gault
- Ivan Hsin
- Rick Knox
- Chia-Hung Lee
- Ernie Popke
- Dean Rogers
- Pascal Rosier
- Gregg Tan

MTA Members Discount Opportunity - Market Analyst International Pty Ltd

Market Analyst International produces a Technical Analysis software program for Advanced
Traders that demand Advanced Tools. Utilizing the Open GL user interface, Market Analyst
provides accurate, clear charts. In addition, Market Analyst provides 3-D charts, sector maps
and other more esoteric studies. To download a 30 day trial of Market Analyst, and receive a
20% MTA member discount on your purchase, click here.