Sector Price Change-Upside report

The Price Change-Upside report ranks sectors by price percentage gain over a given time period. This is a helpful report for users who want a list of strong performing sectors.

The report has two versions. The first version lists sectors with the biggest percentage gain over a Short Term time period and the second version lists sectors with large percentage gains over a Long Term period.

Sector Price Change-Upside

Data items

The data items listed in the columns of the Price Change-Upside report are discussed below.

Symbol
The ticker symbol that represents the sector.

Sector
The name of the industry sector.

Percent
Percentage change values.

TS (Trend Score)
See *AIQ Trend Indicators*.

DTS (Delta Trend Score)
See *AIQ Trend Indicators*.

Changeable Report Criteria

Two settings for the Sector Price Change-Upside report may be changed by the user with the *Report Properties* function on the sub-menu of *Reports* (see *Report Properties settings*, Section 3 of this chapter). The two settings are as follows:

Price Change- Short
This item determines the time period used in the *Percent* change calculations for the Short Term.

Price Change - Long
This item determines the time period used in the *Percent* change calculations for the Long Term.

Sector Price Change – Downside report

The Price Change-Downside report ranks sectors by price percentage loss over a given time period. This is a helpful report for users who want a list of poor performing sectors.

The first version of the report lists the sectors with the largest percentage loss over a Short Term time period and the second version lists sectors with large percentage losses over a Long Term time period.

Sector Downside Price Change Report
08/04/98 — Daily
Short Term

Ticker	Sector	Percent	TS	DTS
COMPT	Computing Sector	(91)	(56)	(91)
FINAN	Financial Sector	(84)	(67)	(28)
INSUR	Insurance Sector	(82)	(57)	(5)
COMMU	Communication Sector	(78)	52	(28)
ELECT	Electronics Sector	(78)	(61)	(105)
DEFEN	Defense Sector	(75)	(84)	(1)
SERVI	SERVICES	(72)	(60)	(38)
LEISU	Leisure Sector	(71)	(90)	(8)
HEALT	Health Sector	(69)	(76)	(1)
AUTOM	Automobile Sector	(68)	(48)	(167)
RETAI	Retail Sector	(67)	(74)	(9)
BUILD	Building Sector	(66)	(97)	(8)
TRANP	Transportation Sector	(64)	(96)	(14)
HOUSE	Household Goods Sector	(60)	(95)	(14)
CHEMI	Chemical Sector	(57)	(96)	8
CONSU	Consumer Goods	(55)	(71)	8
FOODS	Food Sector	(55)	(83)	7
MISCE	Miscellaneous Sector	(55)	(73)	(1)
UTILI	Utility Sector	(49)	(58)	(1)
OILS	Oil Sector	(44)	(49)	(60)
METAL	Metal Sector	(31)	(99)	(1)

Sector Price Change-Downside

Data items

The data items listed in the columns of the Price Change-Downside report are discussed below.

Symbol
The ticker symbol that represents the sector.

Sector
The name of the industry sector.

Percent
Percentage change values.

TS (Trend Score)
See *AIQ Trend Indicators*.

DTS (Delta Trend Score)
See *AIQ Trend Indicators.*

Changeable Report Criteria

Two settings for the Sector Price Change-Upside report may be changed by the user with the *Report Properties* function on the sub-menu of *Reports* (see *Report Properties settings*, Section 3 of this chapter). The two settings are as follows:

Price Change- Short
Price Change-Short determines the time period used in the *Percent* change calculations for the Short Term.

Price Change - Long
Price Change-Long determines the time period used in the *Percent* change calculations for the Long Term.

Persistence of Money Flow (daily only)

This report is identical to the Persistence of Money Flow report for stocks.

This report, which is a direct result of a talk given by Marc Chaikin at an AIQ seminar, is primarily used to find attractive sectors for an intermediate-term time frame. Chaikin's studies showed that sectors making the strongest advances have very positive Volume Accumulation (VA Pct indicator) readings before most of the advance takes place. Not only must VA Pct be positive but it must be positive for a long period of time.

To increase the flexibility of the report, the On-Balance Volume Percentage (OBV Pct) indicator can be substituted for VA Pct or the two indicators can be combined and weighted according to your preference.

Changeable Report Criteria

See *Persistence of Money Flow report* under *Stock Reports*.

Price Volume Divergence report

This report is identical to the Price Volume Divergence report for stocks.

An integral part of technical analysis is divergence analysis. A positive divergence occurs when the sector's price moves lower at the same time that the technical indicators move higher. Since the indicators often lead price action, a positive divergence is a bullish sign. The opposite is true for a negative divergence.

The indicators used in AIQ's Price Volume Divergence report are Money Flow and On Balance Volume. These two indicators were chosen because both price and volume are used in their calculations.

The report has two versions. The first version shows positive divergences while the second version shows negative divergences. In addition to the common data items found on all sector reports, the Price Volume Divergence report lists a weight for each sector. The weight is expressed as a number between 99 and 0, with 99 representing the sector with the largest divergence.

Changeable Report Criteria

See *Price Volume Divergence report* under *Stock Reports*.

Moving Average Crossover-Upside report

This report is identical to the Moving Average Crossover-Upside report for stocks.

Some analysts use moving average crossovers as buy and sell points for securities. Similarly, a sector that rises above its moving average warrants further analysis. The Moving Average Crossover-Upside report identifies sectors than have risen above their moving averages over a specified time period.

The report has two versions. The first version lists sectors that rose above a Short Term moving average and the second version lists sectors that rose above a Long Term moving average. There are no data items in this report other than the data items common to all sector reports.

Changeable Report Criteria

See *Moving Average Crossover-Upside report* under *Daily/Weekly Stock Reports*.

Moving Average Crossover-Downside report

This report is identical to the Moving Average Crossover-Downside report for stocks.

Many analysts use moving averages to determine the trend of a security. A sector that is above its moving average is said to be in an uptrend. If the sector falls below its moving average, then the trend is in doubt. The Moving Average Crossover - Downside report identifies sectors than have fallen below their moving averages over a specified time period.

The report has two versions. The first version lists sectors that fell below a Short Term moving average. The second version lists sectors that dropped below a Long Term moving average. There are no data items in this report other than the data items common to all sector reports.

Changeable Report Criteria

See *Moving Average Crossover-Downside report* under *Daily/Weekly Stock Reports*.

Crossover of Two Moving Averages

This report is identical to the Crossover of Two Moving Averages report for stocks.

Moving averages play an important role in technical analysis. Because a moving average smoothes several days of data, the day to day fluctuations are removed. Without this "noise," it becomes easier to see the overall trend for securities.

This report calculates two moving averages for each sector analyzed— a short -term and a long-term moving average. The sector is in an uptrend when the short-term moving average rises above the long-term moving average. As the sector begins to fall, its short-term moving average will cross below its long-term moving average signaling the beginning of a downtrend.

The first version of this report lists the sectors whose short-term moving averages have risen above the long-term moving averages. The second version of the report lists those sectors whose short-term moving averages have fallen below the long-term moving averages.

Changeable Report Criteria

See *Crossover of Two Moving Averages* under *Daily/Weekly Stock Reports*.

Moving Average Status-Upside report

This report is identical to the Moving Average Status-Upside report for stocks.

The Moving Average Status-Upside report is a list of sectors in the data base that have remained above a specific moving average for a specific period of time. This report is not one that most users would look at daily since the information is of periodic interest. It is intended to provide a review of those sectors that are in prolonged uptrends.

The report has two versions. The first version lists sectors that are above their Short Term moving averages and the second version lists sectors that are above their Long Term moving averages.

In addition to the common data items found on all sector reports, the Moving Average Status-Upside report includes the percent that each sector is above its moving average. Sectors on the report are ranked by the percentage difference between price and the moving average.

Changeable Report Criteria

See *Moving Average Status-Upside report* under *Daily/Weekly Stock Reports*.

Moving Average Status-Downside report

This report is identical to the Moving Average Status-Downside report for stocks.

The Moving Average Status-Downside report is a list of sectors in the data base that have remained below a specific moving average for a specific period of time. Like the upside report, this report is not one that most users would look at daily since the information is of periodic interest. It is intended to provide a review of those sectors that are in prolonged downtrends.

The report contains two versions. The first version lists sectors that are below their Short Term moving averages. The second version lists sectors that are below their Long Term moving averages.

In addition to the common data items found on all sector reports, the Moving Average Status-Downside report includes the percent that each sector is below its moving average. Sectors on the report are ranked by the percentage difference between price and the moving average.

Changeable Report Criteria

See *Moving Average Status-Downside report* under *Daily/Weekly Stock Reports*.

Point & Figure Breakout report

This report is identical to the Point & Figure Breakout report for stocks.

The Point & Figure charting technique is useful in spotting support and resistance levels. Under this technique, a buy signal occurs when the sector breaks above a level that has acted as resistance at least twice before. Using Point & Figure terms, this report spots sectors that are giving Triple Top buy and sell signals (see *Charting tools, Point & Figure*, in the Technical Indicators Reference Manual).

The sectors are sorted by *% Chg*, the price percentage change in the sector over a specified period of time.
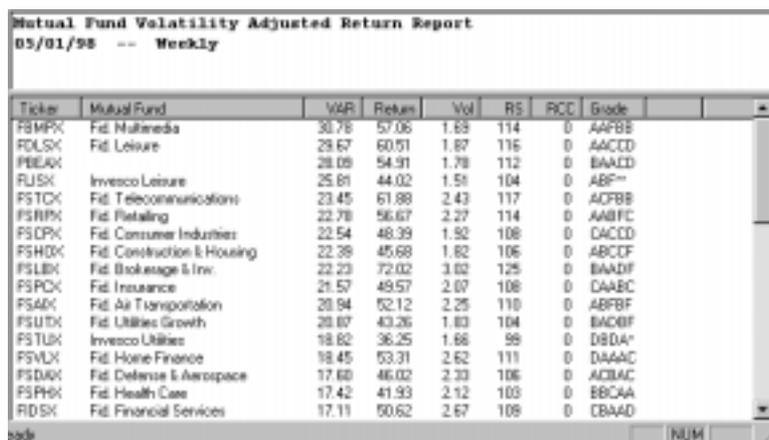
Changeable Report Criteria

See *Point & Figure Breakout report* under *Daily/Weekly Stock Reports*.

Daily/Weekly Mutual Fund Reports

TradingExpert Pro provides a variety of mutual fund reports. To be included in one of the reports, a security must be designated as mutual fund type on the *Master Ticker List* in **Data Manager**.

Common data items

Common data items that appear on most of the mutual fund reports are listed below. In addition, each report includes data items specific to the report's function, and these items will be explained in the discussion of each report.

Mutual Fund Report showing common data items

Ticker
The ticker symbol that represents the mutual fund.

Mutual Fund
The name of the mutual fund.

VAR (Volatility Adjusted Return)
VAR measures the performance of mutual funds on a risk and return basis. VAR measures the relationship between the fund's historic return and the amount of risk associated with the generation of that return.

VAR is computed as the ratio of Return (less the Risk-Free Interest Rate) over Volatility. Therefore, the higher the return, the higher the VAR. But the higher the volatility, the lower the VAR. The Risk-Free Interest Rate is normally considered to be the 90-day T-Bill rate. The Risk-Free Interest Rate can be modified in the *Weekly Global Criteria* dialog box.

`Return`
Return is the percentage change of the fund over a certain time period. The Return period (12 months by default) can be adjusted by the user.

`Vol(Volatility)`
In a general sense, volatility describes the size and frequency of the fluctuations in the price of a particular security such as a stock or mutual fund. It is used to compare the degree of risk associated with an investment due to the fluctuation in share price. The higher the volatility, the higher the variability of the historic returns, and the higher the risk. If safety is a primary concern, look for funds with low levels of volatility.

Volatility is computed as the variation of price from its mean and is expressed in terms of standard deviations. (Standard deviation is a widely used statistical measure of dispersion for a series of numbers.) By default, the Volatility data field is computed from weekly price data for the latest 52 week (12 month) period. The Volatility time period is the same as the period specified for the Return Period.

`RS (Relative Strength)`
This data field is the Relative Strength of the fund vs. a market index. The market index can be selected by the user in the *Weekly Global Criteria* dialog box. The default for the RS Index is the S&P 500. A number greater than 100 in the *RS* data column implies the fund has a higher return than the S&P 500. The Relative Strength time period is the same as the period specified for the Return Period (default 12 months).

`RCC (Rank Correlation Coefficient)`
The RCC field pertains only to funds for which surrogate groups have been created. The Coefficient is a measure of how well the price performance of the surrogate group correlates with the mutual fund. Coefficient values range between 1000 and -1000, where 1000 is a perfect fit. For an acceptable correlation, a Coefficient of at least 500 is considered necessary.

A mutual fund surrogate group is a special group of stocks that is designed to represent a particular mutual fund. Since mutual funds lack volume, reliable Expert Ratings cannot be generated nor can indicators that rely on volume be computed. However, a surrogate group can be created to supply volume. The surrogate group then allows you to analyze mutual funds in the same way as stocks, with technical indicators and Expert Ratings.

The procedure for building a surrogate group is the same as for building any group structure (see Chapter II). A source for the stocks used to represent the fund can simply be a list of the fund's top holdings. A list of holdings is available from the fund or from mutual fund rating services.

An RCC is automatically computed for all mutual funds with designated RS Tickers. Once you have created a surrogate group, enter its ticker name as the RS Ticker for the mutual fund it represents by doing the following:

- Go to the **Data Manager** application
- Double click the mutual fund to display the *Edit Ticker* dialog box.
- Enter the surrogate group symbol in the *Relative Strength Ticker* text box.

Grade

This field consists of five letters, each representing a performance grade (scale of A to F) for one year. It is designed to show a five year comparison of annual performance for all the mutual funds in your data base. Fund performance is graded based on VAR. For a given year, all funds appearing on the report are compared and the top 20% receive A grades, the next 20% B grades, and so on.

Years are arranged in consecutive order, with the most recent year at the left. All years are calendar years and the current year is from January 1 to the current date. An asterisk indicates insufficient data to compute a VAR for that year.

Volatility Adjusted Return report (weeky only)

Most people measure mutual fund performance by percentage return. This ignores an important element of performance — risk. A top performing fund is one that achieves a high return with a low amount of risk. The Volatility Adjusted Return report ranks mutual funds by VAR, a performance measurement that takes into account return and risk.

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Mutual Fund Volatility Adjusted Return Report
05/01/98  --  Weekly
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Ticker	Mutual Fund	VAR	Return	Vol	RS	RCC	Grade		
FBMPX	Fid. Multimedia	30.78	57.06	1.69	114	0	AAFBB		
FDLSX	Fid. Leisure	29.67	60.51	1.87	116	0	AACCD		
PBLEAX		28.05	54.91	1.78	112	0	BAACD		
FLISX	Invesco Leisure	25.81	44.02	1.51	104	0	ABF**		
FSTCX	Fid. Telecommunications	23.45	61.88	2.43	117	0	ACFBB		
FSRPX	Fid. Retailing	22.78	56.67	2.27	114	0	AABFC		
FSCPX	Fid. Consumer Industries	22.54	48.39	1.92	108	0	CACCD		
FSHOX	Fid. Construction & Housing	22.39	45.68	1.82	106	0	ABCCF		
FSLBX	Fid. Brokerage & Inv.	22.23	72.02	3.02	125	0	BAADF		
FSPCX	Fid. Insurance	21.57	49.57	2.07	108	0	DAABC		
FSAIX	Fid. Air Transportation	20.94	52.12	2.25	110	0	ABFBF		
FSUTX	Fid. Utilities Growth	20.87	43.26	1.83	104	0	BADBF		
FSTUX	Invesco Utilities	18.82	36.25	1.66	99	0	DBDA*		
FSVLX	Fid. Home Finance	18.45	53.31	2.62	111	0	DAAAC		
FSDAX	Fid. Defense & Aerospace	17.60	46.02	2.33	106	0	ACBAC		
FSPHX	Fid. Health Care	17.42	41.93	2.12	103	0	BBCAA		
FIDSX	Fid. Financial Services	17.11	50.62	2.67	109	0	CBAAD		

Volatility Adjusted Return

All data items are explained in *Common data items* (above).

Changeable Report Criteria

The time period used in the Volatility Adjusted Report may be changed by the user with the *Report Properties* function on the sub-menu of *Reports* (see *Report Properties settings*, Section 3 of this chapter).

Return Period

The time period used in the report is determined by this parameter. The default of 12 months is changeable. *Return Period* is the number of months used in the calculation of *VAR (Volatility Adjusted Return), Return, Vol (Volatility),* and *RS (Relative Strength).*

Return on Investment report (weekly only)

The Return on Investment report lists the percentage return of all the funds in the user's data base for several time periods: 1 month, 3 month, 6 month, 9 month, and 1 year. The funds are sorted based on their 1 month performance, and their 1 month return. The report provides a quick review of the funds that are showing the greatest current strength.

Return on Investment

Ticker	Mutual Fund	1 Mth	3 Mth	6 Mth	9 Mth	12 Mth	Grade
FSESX	Fid. Energy Services	13	31	(4)	21	71	FBADC
FDCPX	Fid. Computers	12	15	7	(1)	21	CFBCA
FSTEX	Invesco Energy	7	19	(0)	3	20	FDBD*
FSELX	Fid. Electronics	6	11	2	(6)	17	DDBCA
FSPFX	Fid. Paper & Forest Prod.	5	9	11	5	22	CDFDB
FSPTX	Fid. Technology	5	13	11	4	22	BFDDA
FTCHX	Invesco Technology	3	15	4	3	22	CFDB*
FSDCX	Fid. Developing Communicati...	3	16	10	5	32	CFCFA
FSENX	Fid. Energy	3	15	2	11	27	FDADD
FSEVX	Invesco Environmental	3	15	11	17	33	DDC"
FSNGX	Fid. Natural Gas	3	15	0	9	16	DFABD
FSAIX	Fid. Air Transportation	2	14	28	35	51	ABFBF
FDVLX		2	12	14	11	29	BCB88
FBMPX	Fid. Multimedia	2	16	25	32	54	AAFBB
FSDAX	Fid. Defense & Aerospace	2	14	16	21	46	ACBAC
FSCGX	Fid. Industrial Equip	2	20	17	12	33	ACBDC
FEMKX	Fid. Emerging Markets	2	12	(2)	(32)	(36)	FFFF*

All data items in the Return on Investment report are explained in *Common data items* (above).

Changeable Report Criteria

There are no constants to change in this report.

Note
When viewing a report on screen, click the arrows on the scroll bar of the report to see all listings.

Short Term Ranking

Short Term Ranking is a mutual fund report that ranks all the mutual funds in your data base on a weekly basis. The report lists the percentage return for each fund over the most recent week (*% Chg* column). However, the main purpose of the report is to help users spot funds that are gaining strength relative to the other funds.

In columns labeled *Wk 1* through *Wk 5*, the report lists successive weekly rankings for all funds over the past 5 weeks. Wk 1 gives a ranking of each fund's price action relative to the other funds for the most recent week. *Wk 2* ranks fund price action for the prior week, etc. This series of rankings allows you to easily follow the relative strength of any fund as the weeks progress.

This report should be run weekly after the close on Friday.

Mutual Fund Short Term Ranking Report
05/01/98 -- Weekly

Ticker	Mutual Fund	TW%Chg	Week 1	Week 2	Week 3	Week 4	Week 5
FSESX	Fid. Energy Services	9.47	1	8	1	49	48
FSTEX	Invesco Energy	6.09	2	16	13	43	46
FSENX	Fid. Energy	4.26	3	29	21	30	43
FSNGX	Fid. Natural Gas	3.15	4	33	29	16	15
FBMPX	Fid. Multimedia	2.29	5	23	31	24	6
FDCPX	Fid. Computers	2.24	6	1	9	44	40
FBIOX	Fid. Biotechnology	2.21	7	38	47	47	32
FSRPX	Fid. Retailing	2.07	8	48	41	35	10
FSEVX	Invesco Environmental	1.99	9	27	6	38	28
FLISX	Invesco Leisure	1.86	10	24	30	32	29
FSPFX	Fid. Paper & Forest Prod.	1.83	11	25	2	17	42
FSRBX	Fid. Regional Banks	1.61	12	42	17	8	20
FDFAX	Fid. Food & Agriculture	1.58	13	48	44	20	27
FSLEX	Fid. Environmental Services	1.56	14	31	22	28	33
FDMLX		1.55	15	28	16	23	37
PBEAX		1.41	16	34	25	10	45

Short Term Ranking report

Changeable Report Criteria
There are no constants to change in this report.

New Highs/New Lows report

This report is identical to the New High/New Lows report for stocks.

The New Highs/New Lows report lists mutual funds that have moved to new high or low prices. This report has two versions. The first version lists mutual funds that have reached new high prices over a recent time period. The second version lists mutual funds that have reached new low prices.

Changeable Report Criteria

Two parameters that directly affect the New Highs/New Lows report — Time Period and Search Period — may be changed (see New Highs/New Lows report under daily/weekly stock reports).

Price Change-Upside report

This report is identical to the Price Change-Upside report for stocks.

The Price Change-Upside report ranks mutual funds by price percentage gain over a given time period. This is a helpful report for users who want a list of strong performing mutual funds.

The report has two versions. The first version lists mutual funds with the largest percentage gain over a Short Term time period, and the second version lists mutual funds with large percentage gains over a Long Term time period. The *Percent* data column lists the percent change of each mutual fund over the Short Term and Long Term time periods, respectively. These time periods are changeable.

Changeable Report Criteria

The Short Term and Long Term time periods for this report may be changed (see Price Change-Upside report under daily/weekly stock reports).

Price Change-Downside report

This report is identical to the Price Change-Downside report for stocks.

The Price Change-Downside report ranks mutual funds by price percentage loss over a given time period. This is a helpful report for users who want a list of poor performing mutual funds.

Like the upside report, the downside report has two versions. The first version lists mutual funds with the largest percentage loss over a Short Term time period, and the second version lists mutual funds with large percentage losses over a Long Term time period. The *Percent* data column lists the percent change of each mutual fund over the Short Term and Long Term time periods, respectively. These time periods can be modified by the user.

Changeable Report Criteria

The Short Term and Long Term time periods for this report may be changed (see Price Change-Downside report under daily/weekly stock reports).

Relative Strength-Strong report

This report is identical to the Relative Strength-Strong report for stocks.

The Relative Strength-Strong report lists mutual funds that are showing strength. The report provides a list of the top performing mutual funds in the data base.

The report is generated in two versions. The first version lists mutual funds showing the greatest relative strength for a Short Term time period. The second version lists mutual funds showing the greatest relative strength on a Long Term basis. In addition to the common data items found on all reports, there is an *RSR* data column, which is a relative strength rating. Mutual funds with a positive *RSR* have above average relative strength while mutual funds with a negative *RSR* are below average.

Changeable Report Criteria

Time periods for the Relative Strength-Strong report may be changed (see Relative Strength-Strong report under daily/weekly stock reports).

Relative Strength-Weak report

This report is identical to the Relative Strength-Weak report for stocks.

The Relative Strength-Weak report provides a list of the worst performing mutual funds in your data base.

The report has two versions. The first version lists mutual funds showing the lowest relative strength for a Short Term time period. The second version lists mutual funds showing the lowest relative strength on a Long Term basis. In addition to the common data items found on all reports, The Relative Strength-Weak report includes an *RSR* data column, which is a relative strength rating. Mutual Funds with a negative *RSR* have below average relative strength.

Changeable Report Criteria

Time periods for the Relative Strength-Weak report may be changed (see Relative Strength-Weak report under daily/weekly stock reports).

Moving Average Crossover-Upside report

This report is identical to the Moving Average Crossover-Upside report for stocks.

Some analysts use moving average crossovers as buy and sell points for securities. Similarly, a fund that rises above its moving average warrants further analysis. The Moving Average Crossover-Upside report identifies funds that have risen above their moving averages over a specified time period.
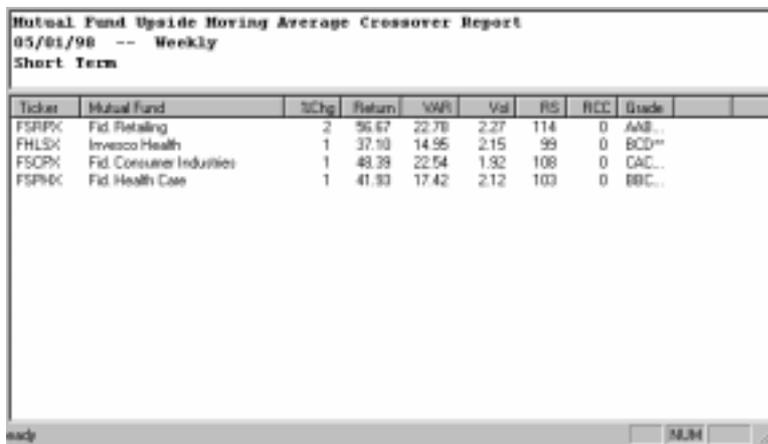
Moving Average Crossover-Upside

The report has two versions. The first version lists those funds that have crossed above a Short Term moving average and the second version lists funds that have crossed above a Long Term moving average.

The *% Chg* data field lists the return for each fund over a one week time period. The *% Chg* time period is determined by the value entered in the *Weekly Global Criteria* dialog box. The default of one week is changeable by the user. All other data fields in this report are explained in *Common data items*.

Changeable Report Criteria

See *Moving Average Crossover-Upside report* under *Daily/Weekly Stock Reports*.

Moving Average Crossover-Downside report

This report is identical to the Moving Average Crossover-Downside report for stocks.

Many analysts use moving averages to determine the trend of a mutual fund. A fund that is above its moving average is said to be in an uptrend. If the fund falls below its moving average, then the trend is in doubt. The Moving Average Crossover-Downside report identifies funds than have fallen below their moving averages over a specified time period.

Moving Average Crossover-Downside

The report has two versions. The first version lists those funds that fell below a Short Term moving average and the second version lists funds that fell below a Long Term moving average.

The *% Chg* data field lists the return for each fund over a one week time period. The *% Chg* time period is determined by the value entered in the *Weekly Global Criteria* dialog box. The default of one week is changeable by the user. All other data fields in this report are explained in *Common data items*.

Changeable Report Criteria

See *Moving Average Crossover-Downside report* under *Daily/Weekly Stock Reports*.

Crossover of Two Moving Averages

This report is identical to the Crossover of Two Moving Averages report for stocks.

Moving averages play an important role in technical analysis. Because a moving average smoothes several days of data, the day to day fluctuations are removed. Without this "noise," it becomes easier to see the overall trend.

This report calculates two moving averages for each mutual fund analyzed— a short-term and a long-term moving average. The fund is in an uptrend when the short-term moving average rises above the long-term moving average. As the fund begins to fall, its short-term moving average will cross below its long-term moving average signaling the beginning of a downtrend.

The first version of this report lists the funds whose short-term moving averages have risen above the long-term moving averages. The second version of the report lists those funds whose short-term moving averages have fallen below the long-term moving averages.
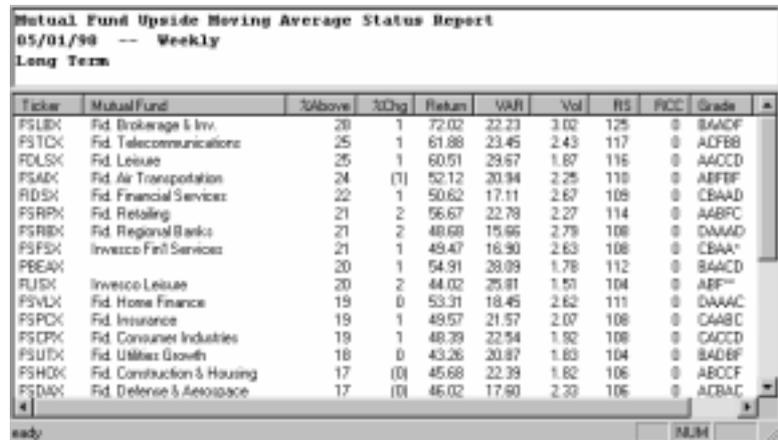
Changeable Report Criteria

See *Crossover of Two Moving Averages report* under *Daily/Weekly Stock Reports*.

Moving Average Status-Upside report

This report is identical to the Moving Average Status-Upside report for stocks.

The Moving Average Status-Upside report is a list of mutual funds in the data base that have remained above a specific moving average for a specific period of time. This report is not one that most users would look at daily since the information is of periodic interest. It is intended to provide a review of those funds that are in prolonged uptrends.

Moving Average Status-Upside

The first version of the report lists funds that are above their Short Term moving averages and the second version lists funds that are above their Long Term moving averages.

In addition to the common data items found on most mutual fund reports, the Moving Average Status -Upside report lists the percentage amount that each fund is above its moving average *(% Above)*. Funds are ranked by how far they are above their moving averages. The *% Chg* data field lists the return for each fund over a one week time period. The *% Chg* time period is determined by the value entered in the *Weekly Global Criteria* dialog box. The default of one week is changeable by the user.

Note
To view all listings, click the arrows on the scroll bar of the report.

Changeable Report Criteria

See *Moving Average Status-Upside report* under *Daily/Weekly Stock Reports*.

Moving Average Status-Downside report

This report is identical to the Moving Average Status-Downside report for stocks.

The Moving Average Status-Downside report is a list of mutual funds in the data base that have remained below a specific moving average for a specific period of time. This report is not one that most users would look at daily since the information is of periodic interest. It is intended to provide a review of those funds that are in prolonged downtrends.

Moving Average Status-Downside

The first version of the report lists funds that are below their Short Term moving averages and the second version lists funds that are below their Long Term moving averages.

In addition to the common data items found on most mutual fund reports, the Moving Average Status -Downside report lists the percentage amount that each fund is below its moving average *(% Below)*. Funds are ranked by how far they are below their moving averages. The *% Chg* data field lists the return for each fund over a one week time period. The *% Chg* time period is determined by the value entered in the *Weekly Global Criteria* dialog box. The default of one week is changeable by the user.

Changeable Report Criteria

See *Moving Average Status-Downside report* under *Daily/Weekly Stock Reports*.
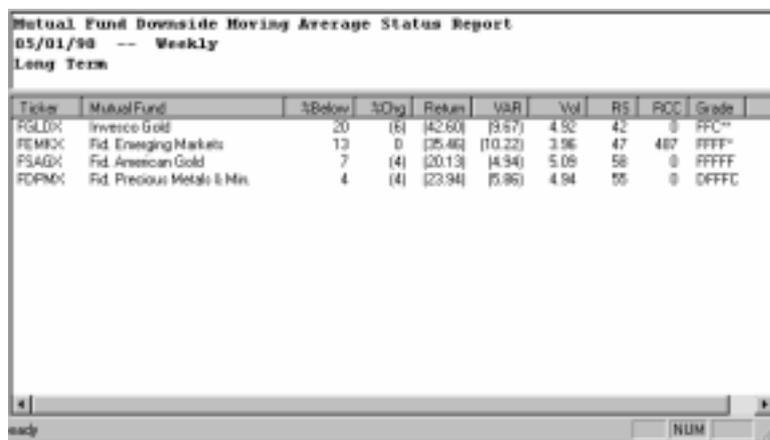
Point & Figure Breakout report

This report is identical to the Point & Figure Breakout report for stocks.

The Point & Figure charting technique is useful in spotting support and resistance levels. Under this technique, a buy signal occurs when the fund breaks above a level that has acted as resistance at least twice before. Using Point & Figure terms, this report spots securities that are giving Triple Top buy and sell signals (see page 100 of the Technical Indicators Reference Manual).

The funds are sorted by *% Chg*, the price percentage change in the fund over a specified periodof time.

Changeable Report Criteria

See *Point & Figure Breakout report* under *Daily/Weekly Stock Reports*.

5. Summary Reports

Market Log

It is well understood that successful traders keep daily trading diaries. The AIQ Market Log was designed to provide the AIQ user with such a diary. Initially, the Market Log was intended to be filled out with pen or pencil each day by the user in order to encourage active, rather than passive, participation. However, AIQ users found the Market Log to be an important tool in their personal trading processes, and requested that the log be automated.

Introduced in 1992 by AIQ founder Dr. J.D. Smith, the Market Log is a synthesis of information drawn from the many reports and functions contained in TradingExpert Pro. The log represents the consolidation of a great deal of technical data to a two-page report that can be used for tracking market direction and sector rotation on a daily basis. Its primary function is to enable the user to make better informed, more confident judgments of market direction.

Reports List with Summary Reports listed

Overview of Market Log

The Market Log is a daily report that can be displayed on screen or printed. There are two pages of this report -- Market Log and Market Log Sector Rotation.

❑ *To access the Market Log, do the following:*

1. Open the **Reports** application.

2. Choose **Summary Reports**, then choose **Market Log** or **Market Log Sector Rotation**.

3. A dialog box titled *Select Date* appears. Unlike all other reports where only the most currently generated report is stored, Market Log reports are stored for 15 days. The *Select Date* dialog box lists the dates available for viewing. Select (by clicking with your mouse) the date of the Market Log you are interested in viewing. Choose the **OK** button.

4. The Market Log report for the selected date appears.

Select Date dialog box

Market Log

Date 07/24/98 Saturday   DJIA 8937.36   SPX 1140.80
ER 76 - 23 0 - 100 Days 3 Change   DJIA   4.38   SPX   1.06
WAL 17 - 83 US 89 - 11   Group Score 33+ 67-   Group Delta 67+ 33-

Market Plot	Bearish	Bullish	Access Plot	Bearish	Bullish
MACD	««««««««		PX		
MD Osc	««««««««		MD Osc		
DirMov	««««««««		DirMov		
VA Pct	««««««««		VA Pct		
OBV Pct	««««««««		OBV Pct		
P-Vol	««««««««		P-Vol		
N-Vol	««««««««		N-Vol		
MF Rsi	««««««««		MF Rsi		
SVMA	««««««««		MnyFlow		
AD Line	««««««««		OBV		
AD Ind	««««««««		MA 21		
AD Osc	««««««««		MA 100		
SK-SD	««««««««		MA 200		
SumInd		»»»»» ...	Index		
HI/LO	««««««««		Raw Scr		
RS SPX		»»»»» ...	HILO21		

Market Log Sector Rotation

Sector Rotation
07/24/98

Sector	Bearish	Bullish	TS	OTS	up%	dn%	mdo	dmi	mfa
ZALL	«««««««		(99)	(6)	71	0	0	100	5
AUTOM	«««««	»»»»» ...	71	22	100	0	0	66	0
BUILD	««««««		(99)	1	71	14	0	95	42
CHEM	«««««« »»		(40)	30	66	0	0	100	33
COMMU	««««« »»		71	(9)	75	0	0	100	0
COMPT	««««« »		(90)	(2)	100	0	0	75	0
CONSU	«««««««		(99)	0	80	29	0	68	20
DEFEN	««««««		(99)	(6)	100	0	0	100	0
ELECT	««««« »»		57	0	80	0	0	96	20
FINAN	««««« »»»		81	6	83	0	0	100	16
FOODS	«««««««		(86)	13	25	25	0	100	25
HEALT	««««« »»»		(83)	5	85	0	0	71	14
HOUSE	«««««««		(97)	1	66	0	0	100	33
INSUR	««««« »»		(81)	(100)	100	0	0	75	25
LEISU	«««««««		(53)	3	80	0	0	100	20
METAL	««««««		(64)	(6)	50	50	50	58	0
MISCE	««««««		(65)	(113)	61	7	0	76	23
OILS	«««««««		(90)	1	100	0	0	96	40
RETAI	««««« »»»		(83)	(6)	87	0	0	75	12
SERVI	««««« »		(38)	(77)	43	43	28	68	0
TRANP	«««««««		(72)	18	75	0	0	100	25
UTILI	«««««« »»»		(39)	29	50	0	0	100	50

The Market Log displays the following information:

- **Top section of Market Log**: Current data derived from various TradingExpert Pro functions and reports

- **Market Plot section**: Evaluation of indicators from the AIQ market timing chart (DJIA with NYSE Breadth & Volume).

- **Access Plot section**: Evaluation of indicators based on the scanning of stocks in the user's data base.

- **Market Log Sector Rotation**: Analysis of sector rotation through indicator evaluation.

Evaluation of indictors is based on readings from the Indicator Barometer found on AIQ charts. The barometer is the vertical color bar located just to the left of the indicator names on the Control Panel of the charts. The Indicator Barometer provides a status of each of the indicators on any particular day. (For more information, see Chapter IV, *Charts.)*

The printed versions of the Market Log contains all the information displayed in the screen versions, plus additional sections which are completed by the user. These additional sections are used for recording market prognostications and personal comments.

Prerequisites for generating the Market Log

The Market Log can be generated only if certain reports, from which essential information is drawn, have first been generated for the current date (or a past Market Date selected by the user). Note the following:

- If the Market Log is generated without the generation of daily stock, group, or sector reports, then only information under the Market Plot section will appear.

- Data in the Access Plot section will be displayed only if these two actions have been taken:

    - Daily stock reports have been generated.

    - A check mark appears in the *Compute Access* check box on the *Daily Selection Criteria* tab of the *Global Properties* dialog box. (The *Global Properties* dialog box is accessed from the sub-menu of *Reports*.)

- The Sector section will have data only if a daily Sector Analysis report has been generated.

Note

TradingExpert Pro stores the Market Log reports for 15 days. After selecting the Market Log report, a list will be displayed with all the dates for which Market Logs were generated in the last 15 days. You can select the date you are interested in viewing.

Sections of Market Log explained

Top section: information fields

The top section of the Market Log contains data that shows market status at a glance and information derived from Expert Ratings and reports for the date of the log.

Information fields are as follows:

Date
The date of the Market Log is shown at the top left.

Day of the week
Day of the week for above date.

DJIA & SPX
Closing prices for date of Market Log for the Dow Jones Industrial Average and S&P 500. These market indices can be changed by the user in the *Global Properties* function (sub-menu of *Reports*).

E R
Expert Rating for the Market Log date followed by the highest Expert Rating (up or down) in the last 21 days.

Days
Number of days since the highest Expert Rating in the last 21 days.

Change DJIA & SPX
Change in the DJIA and S&P 500 indices from the previous day.

> **Important**
> The next series of Market Log information fields contains information derived from TradingExpert Pro reports that can be used to help confirm an Expert Rating signal for the market.

W A L
The *WAL* field displays the Up-Down Signal Ratio from the Weighted Action List for the Market Log date. Ratios with a value (on either the up or down side) of greater than 85 are considered to indicate Expert Rating signal confirmation for the market. For example, an Up-Down Signal Ratio of 86-14 would confirm an up market timing signal and an Up-Down Signal Ratio of 14-86 would confirm a down market timing signal.

U S

US is an Up/Down Ratio of all unconfirmed Expert Rating signals for stocks in the user's data base, computed for the Market Log date. The Up/Down Ratio of unconfirmed signals is a special indicator that appears only on the Market Log. Ratios with a value (on either the up or down side) greater than 85 are considered to indicate Expert rating signal confirmation for the market. For example, an Up/Down Ratio of 90-10 would confirm an up market timing signal and an Up/Down Ratio of 10-90 would confirm a down market timing signal.

Group Score

The *Group Score* is from the daily Group Analysis report for the Market Log date. *Group Score* is a composite of all the Trend Score *(TS)* values listed in the Group Analysis report, and is a trend indicator representative of the general market. The first number is the percentage of *TS* values that are positive (up); the second number is the percentage of *TS* values that are negative (down).

Group Delta

The *Delta Trend Score (DTS)* is from the daily Group Analysis report for the Market Log date. *Delta* is a composite of all the Delta Trend Score *(DTS)* values listed in the Group Analysis report. The first number shows the percentage of values that are positive and the second number the percentage that are negative.

Market Plot section: indicator evaluation

The Market Plot section of the Market Log can be used to determine market direction and to confirm the market timing signals generated by the AIQ expert system.

This section is a daily evaluation of 16 selected indicators from the AIQ market timing chart (DJIA with NYSE Breadth & Volume). A grading system based on the five and ten day slopes of the indicators is used to assign each indicator one of six possible grades. See the Technical Indicators Reference Manual for details of the procedure used to assign grades for each type of indicator.

The six possible grades are as follows:

On the bullish side:

- Twelve arrows represent an extreme bullish reading.

- Eight arrows designate that the indicator is bullish.

- Four arrows designate that the indicator is only mildly bullish.

On the Bearish side:

- Twelve arrows represent extreme bearish readings.
- Eight arrows designate a bearish reading for the indicator.
- Four arrows designate that the indicator is only mildly bearish.

Access Plot section: indicator evaluation

The Access Plot can be found only on the Market Log report. Similar to the Market Plot section, the Access Plot is used to determine the health of the market and to confirm market timing Expert Ratings. Whereas the Market Plot section is based on the DJIA market index and breadth and volume data from the NYSE, the analysis in the Access Plot section is derived solely from the stocks in the user's data base. This section is even more important if the major market averages do not represent the type of stocks you are following.

As the name implies, the Access Plot is derived by accessing the user's stock data base. The Access module performs statistical analysis on the behavior of selected technical indicators of all the stocks within the data base. From this analysis, an Access Index is computed which is a confirming indicator for market direction.

For each indicator listed in the Access Plot section, the system scans the stocks in your data base and computes the percentage of stocks with increasing/decreasing values for the following indicators:

- MACD
- MACD Oscillator
- Directional Movement Index
- Volume Accumulation Percentage
- On Balance Volume Percentage
- Positive Volume
- Negative Volume
- Money Flow RSI
- Money Flow
- On Balance Volume

Indicators in the Access Plot section that are not found on the AIQ stock charts include the following:

- MA 21, MA 100, and MA 200

   These indicators represent the percentage of stocks in your database that are above their 21, 100, and 200 day moving averages.

- Index

   An exponentially smoothed average of a weighted summation of the previous indicators.

- Raw Score

   The weighted summation of the previous indicators with no smoothing.

- HILO 21

   An indicator that represents the percentage of stocks in the data base that have reached new 21-day highs.

Sector Rotation Log: indicator evaluation

The analysis which the Sector Rotation Log provides is based on a dissection of the market into its principle sectors. In general, it presents a picture of the current status of each of the market's sectors; it clearly shows which sectors are bullish and which are bearish. More importantly, it identifies sectors that are ready to turn up or roll over.

In the Sector Rotation Market Log, not only do you get a picture of the market broken down into sectors, but, over time, you can follow the ebb and flow of the various sectors as they gain and lose favor within the overall market.

The degree of bullishness/bearishness of the sectors is based on indicators that measure price momentum, trend strength, supply and demand, and positive volume. These indicators are as follows:

- **Price momentum:** MACD
- **Trend strength:** Directional Movement Index
- **Supply and demand:** An average of Money Flow, Volume Accumulation Percentage, and On Balance Volume Percentage
- **Volume**: Positive Volume indicator

Bullish and bearish readings for the Sector Rotation Log are obvious at a glance:

- When all the indicators are bullish for a particular sector, 12 arrows will point in the bullish direction.

- When all indicators are bearish for a particular sector, all 12 arrows will point in the bearish direction.

- When the majority of indicators are positive but a few are negative, then arrows will appear in both the bullish and bearish camp but more bullish arrows will appear.

- When the majority of indicators are negative but a few are positive, then arrows will appear in both the bullish and bearish camps but there will be more bearish arrows.

`Sector Section: right side columns`

The seven columns in the right side of the ~~Sect~~or Rotation Market Log are taken directly from the daily Sector Analysis report. An explanation of the importance and use of the data items listed in these seven columns can be found in the discussion of the Sector Analysis report.

Changeable Market Log criteria

Several criteria settings that directly affect the Market Log may be changed by the user with the *Global Properties* and *Report Properties* functions on the sub-menu of *Reports* (for more information, see *How to customize reports*, Section 3 of this chapter).

`Global Properties settings`

You can select the group/sector structure to use for the Sector Rotation Log, the two Market Indices that appear at the top of the Market Log, and whether or not to compute data for the Access Plot.

 To access Global Properties, do the following:

1. Click the **Reports** command on the *Reports* menu bar.

2. On the sub-menu, choose **Global Properties.**

3. The dialog box for *Global Properties* appears. Select the *Daily Selection Criteria* tab.
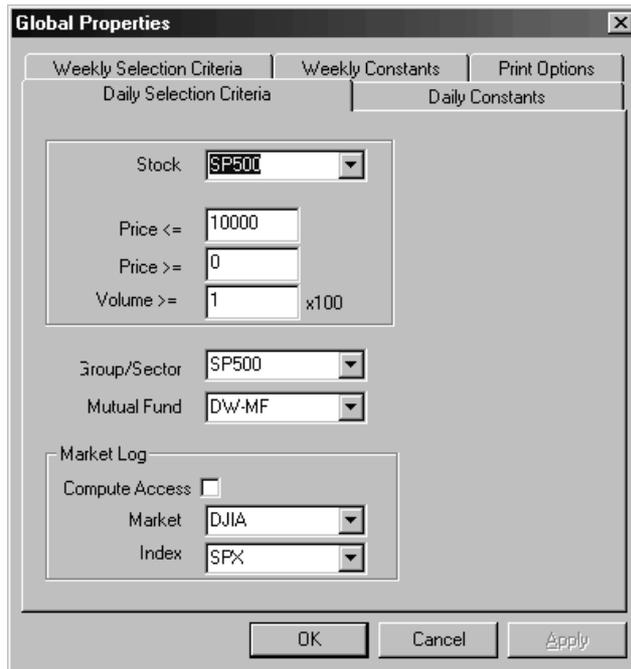
*Global Properties/
Daily Selection Criteria tab*

4. Settings that apply to the Market Log include the following:

- **Group/Sector:** The industry group/sector structure selected here determines which industry sectors are used for the Sector section of the Market Log. If the default SP500 is the entry, the S&P 500 industry sectors will be used.

- **Market** and **Index:** To change the default indices (DJIA and SPX), click the arrows in the text boxes to display lists of available indices and make your selections.

- **Compute Access:** Insert a check mark (by clicking with your mouse) in the check box to compute the indicators for the Access Plot on the Market Log.

5. When you have completed your selections, choose **OK** to save them.

Note
The calculation of the numbers for the Access Plot can be time consuming depending on the speed of your computer and the number of stocks in your data base.

`Report Properties settings`

Settings can be changed for the US (Up/Down Signal Ratio), the Access Plot indicators, and the Market Plot indicators with the *Report Properties* function.

☐ *To access Report Properties , do the following:*

1. Click the **Reports** command on the *Reports* menu bar.

2. On the sub-menu, choose **Report Properties**.

3. The *Report Properties* dialog box appears.
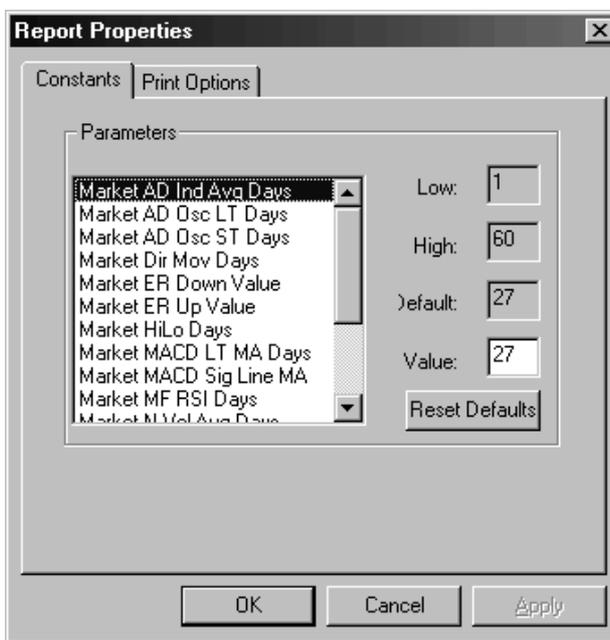
Report Properties dialog box with Market Log Constants

4. Criteria settings that can be changed for the Market Log appear on the *Constants* tab (see *Changeable settings* below).

5. Click on one of the constants, and the *Low, High*, and *Default* values for that constant will be displayed. Enter a new value in the *Value* text box.

6. Continue to complete modifications to all constants for the Market Log.

7. Choose the **OK** button and your entries will be saved.

Changeable Report Properties settings for the Market Log

The following constants may be changed on the *Constants* tab of the *Report Properties* dialog box:

US
These four constants are used in the calculation of the *US* score.

- **Phase Change Period:** The number of days since the phase change.
- **ER Period:** The number of days since the Expert Rating.
- **Up ER Period:** The minimum Expert Rating up value.
- **Down ER Period:** The minimum Expert Rating down value.

Access Plot indicators
The next series of constants, all prefaced with *Access*, allows the user to change the number of days used for each indicator in the Access Plot calculations.

Market Plot indicators
The final series of constants allows the user to change the number of days used for each indicator used in the calculation of the Market Plot section of the Market Log.

Note

You can restore all constants to their default settings. Click the **Restore Defaults** command on the *Constants* tab of the *Report Properties* window.

Daily/weekly Trendline Breakout report

The Trendline Breakout report is designed to alert you when a ticker crosses a previously established trendline. TradingExpert Pro allows you to draw trendlines on any chart. The trendlines drawn on securities are automatically extended daily through the current market date and each ticker with a trendline is checked to determine if there has been a crossover. It does not matter from which direction the crossover occurs (above or below), or which of the lines is crossed.

All trendline breaks of stocks, groups, sectors, and mutual funds are listed on one Trendline Breakout report. Trendline crossings that have occurred within a specified number of days from the current date are reported.

Data items in the Trendline Breakout Report include the *Ticker*, the *Security* name, the *Type* of security (i.e. stock, group, sector, mutual fund), and the current *Price*.
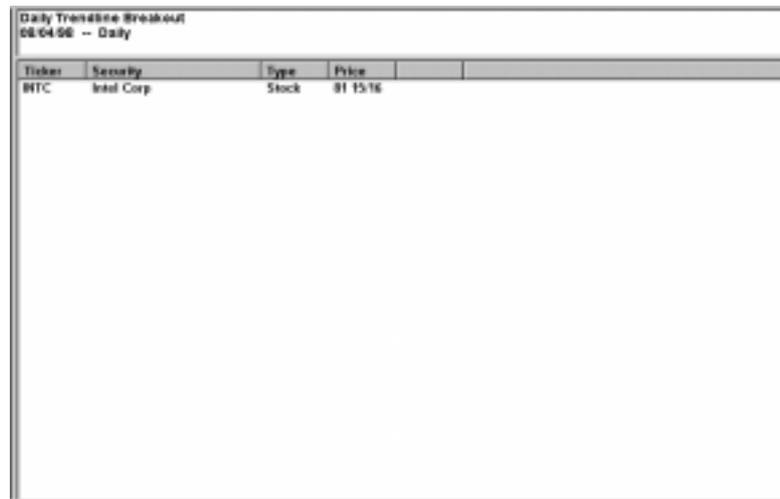
Trendline Breakout report

Changeable Report Criteria

There is one constant, the Search Period, that can be adjusted for the Trendline Breakout report. Although all trendline breaks are listed on one report, a Search Period setting may be entered individually for stocks, groups, sectors, or mutual funds.

Stock Search Period

The Search Period is the specified number of days from the current date that the system looks for a trendline break. The default number of days for the Stock Search Period is 5. This number may be adjusted using the *Report Criteria* function on the sub-menu of *Settings* (see *Report Criteria settings*, Section 3 of this chapter).