

In This Issue

Palmquist: "The trick to successful trading is to have the combination of trading system and trading style that matches the current market conditions." 1

Data Maintenance 5

S&P 500 Changes 5

Market timing tools: AIQ's US and WAL Scores 6

Market Review 8

Special Section: AIQ Lake Tahoe Seminar 9

Real-time backtesting on multiple tickers 12

Swing Trading with the Market

Swing Trading Is a Powerful Tool – It Should Be In Your Trader's Toolbox

By Steve Palmquist

The probability of a winning trade is affected by the trading system being used, current market conditions, and the trading style.

Trading success requires one to be able to analyze the current market conditions and select the most appropriate trading style, rather than using the same approach regardless of market conditions.

combination of trading system and trading style that matches the current market conditions.



STEVE PALMQUIST
www.daisydogger.com

The AIQ tools allow us to test a system in various market conditions. It is well worth the time to carefully analyze how your system performs in up-trending, down-trending, and sideways markets. Don't just back-test the system over a multiyear period; spend time understanding how it works in each of these different market conditions.

Once you have a set of tools that covers all three market conditions, you must select the appropriate tool and trading style for the current market. In general, it's best to use the longest-term trading technique that the current market conditions will support. This skill takes some time to develop but is well worth the effort.

Short-term trading involves taking quick profits on the initial move follow-

Each trading style, short-term, swing, and intermediate-term, has market conditions in which it works well, and market conditions in which it should be avoided. Trading

systems also have market environments in which they perform well and times in which they should be avoided. The trick to successful trading is to have the

Steve Palmquist is a full-time trader with nearly 20 years of experience. He is the founder of www.daisydogger.com, which provides free market analysis, trading tips, and educational material. Steve is also publisher of the *Timely Trades Letter* available through the web site. Steve will be a featured speaker at AIQ's October Lake Tahoe Seminar.

This article is the third in a series of articles on how the market environment should dictate your trading approach. We recommend you re-read Steve's articles in the March 2004 and May 2004 Opening Bells as a background to this article.

ing a pattern or trendline break. Typical holding periods are one-three days. I usually use both a time stop and a fixed dollar target stop. Short-term techniques can be profitable in narrow range markets that are ineffective for longer-term techniques.

Swing trading involves using a stop below the low of the set-up pattern, and trailing the stop as the stock moves up. Swing traders try to profit from moves lasting from three days to three weeks. Swing trading works in wide range or trending markets, and usually is more profitable than short-term trading in these types of markets.

Intermediate-term trading is effective when the market is trending, but should generally be avoided in range bound markets. Intermediate-term traders may start with the same patterns and initial stop as swing traders, but will generally hold as long as the overall market conditions remain favorable.

There are three keys to improving swing trading results:

- Analyzing current market conditions

AIQ Opening Bell Newsletter

David Vomund, Publisher
G.R. Barbor, Editor
P.O. Box 7530
Incline Village, NV 89452

AIQ Opening Bell does not intend to make trading recommendations, nor do we publish, keep or claim any track records. It is designed as a serious tool to aid investors in their trading decisions through the use of AIQ software and an increased familiarity with technical indicators and trading strategies. AIQ reserves the right to use or edit submissions.

While the information in this newsletter is believed to be reliable, accuracy cannot be guaranteed. Past performance does not guarantee future results.

© 1992-2004, AIQ Systems

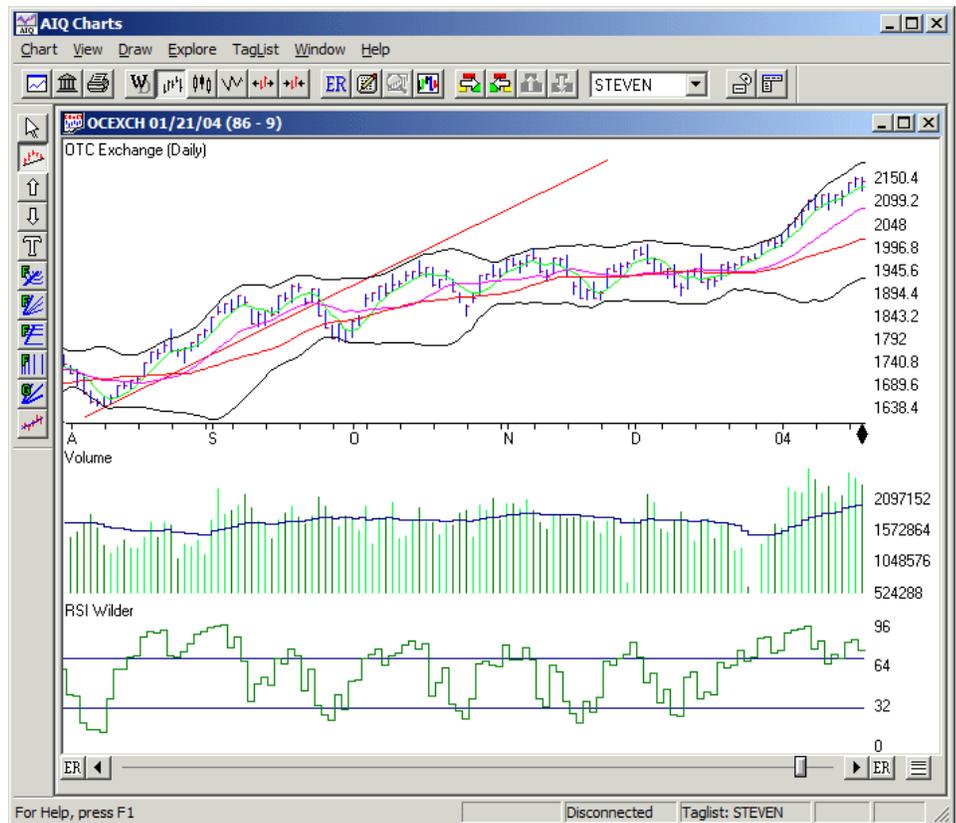


Figure 1. Daily chart of Nasdaq. Mid-September trendline break and late-September low signalled change to market that favored short-term or swing-trading techniques.

- Have multiple scans to identify set-ups
- Trade with the market

Analyzing Market Conditions

Every evening prior to running any scans, I spend time analyzing the current market conditions. I look for support and resistance levels as well as determine if short-term, swing, or intermediate-term trading techniques are best suited to the current conditions.

Trading without first analyzing the current market conditions will likely give you a lot of practice at exercising stops. If you have been trading actively for less than three years, it is best to review the market analysis from a more experienced trader.

I typically focus on swing trading when the market is trading in a wide range. A narrow range market doesn't provide enough room for swing trades to work, and a trending market is usually more favorable to intermediate-term trading. A wide range is defined in

“Trading without first analyzing the current market conditions will likely give you a lot of practice at exercising stops. If you have been trading actively for less than three years, it is best to review the market analysis from a more experienced trader.”

terms of both the number of days it typically takes to get from one end of the range to the other, and the number of points between the top and bottom of the range.

If it typically takes less than four

days for the market to move from one end of the range to the other, I will favor short-term trading over swing trading. It usually takes at least one day in order to know that the market has bounced off support or resistance, which leaves at least three days of a favorable environment for the swing trade to work if the market is trading in a range at least four days wide.

I also look at the number of points between the upper and lower boundaries of the range and the average number of points the market travels in a day. If the market is trading in a 100-point range and it typically moves about 20 points a day, then there is plenty of room for a swing trade to capture a move. If the market is trading in a 60-point range and typically moves about 20 points a day, then there is usually not enough room for swing trades to work.

Figure 1 shows the NASDAQ during the latter part of 2003 and January of 2004. The NASDAQ had been on a run from April to September. In mid-September it broke a trendline drawn between the lows of 8/8/03 and 9/12/03, as shown in Figure 1. This trendline break was an initial signal that things may be changing.

Following this trendline break, the NASDAQ set a lower low the last week of September. These two signals taken together indicated that conditions were changing, the run was likely over, and it was time to switch to short-term or swing-trading techniques.

Have Multiple Scans To Identify Set-Ups

The set-ups I use most often for swing trading are pullbacks, trendline breaks, morning stars, and flags. It is important to have more than one type of scan in your toolbox because sometimes the market will favor one type of set-up over the others. I like to have several tools

Table 1. EDS scan for Flag formations

- ! Look for Stocks above \$5 & Daily Volume > 200,000.
ma50 is SimpleAvg([close],50).
PriceVolumeFilter if [close]>5 and [Volume ESA]>2000 .
- ! Look for Narrow Bases
High3Day is HiVal([high],3).
Low3Day is LoVal([low],3).
NarrowBase if (High3Day - Low3Day) < 0.025 * High3Day.
- ! Look for 4% up move in 5 days
UpMove if val([high],5) < 0.96 * High3Day.
- ! Bull Flag if narrow base after a quick 4% up move
UpandBase if UpMove and NarrowBase and PriceVolumeFilter and [close] > ma50.
- ! look for a quick 4% down move
DownMove if val([low],5) > 1.04 * High3Day.
- ! Bear Flag if narrow base after a quick 4% down move
DownandBase if DownMove and NarrowBase and PriceVolumeFilter and [close] < ma50.

available and go with the one that is working best.

Links to basic scans that can be used to identify the first three

patterns can be found on page 9 in the May issue of the *Opening Bell* located at: <http://128.121.114.137/may04obm.pdf>.

As outlined in previous articles, and AIQ seminars, these basic scans can be improved by adding volume, money flow, and market timing considerations.

Table 1 shows the EDS code for a scan I use to look for flag patterns. A flag formation is a brief, narrow, basing area after a rapid run up in price. The first section in the flag scan of Table 1 limits results to stocks above \$5 with average volume of at least 200,000 shares a day. The second section looks for narrow

basing periods. The third section looks for stocks that have made a move of at least 5% in 5 days. The fourth section combines these filters

“The set-ups I use most often for swing trading are pullbacks, trendline breaks, morning stars, and flags. It is important to have more than one type of scan in your toolbox because sometimes the market will favor one type of set-up over the others.”

to look for potential bull flags.

This EDS file can be downloaded from AIQ's web page at www.aiqsystems.com. Click *Educational Products* and *Opening Bell*.

I ran the flag scan on 12/22/03 and it found the seven candidates shown in **Figure 2** (see list on right side of chart). Given the simple nature of the scan, I review the charts of each candidate looking for a rapid price move on strong vol-

ume, followed by lower volume during the basing period. Of the seven candidates found on the 12/22/03 scan, four were interesting flag formations: RD, TOT, UAG, and XOM. Three days after finding the flag, RD broke out of the formation and had a nice three-day run as shown in Figure 2.

Trade With The Market

Finding good swing trading setups is fairly straight forward. However, just taking every trade that comes along will lead to mixed results. The leverage in swing trading comes from learning to time the trades with the rhythm of the market. This requires spending some time in the school of hard knocks, and learning to focus on the charts — not emotions or CNBC.

When the market is trading in a base, the best time to take new swing trades on the long side is when the market bounces from the bottom of the base. New short trades should be taken when the market retraces from the top of the base. The middle of the base is the 'no zone' — avoid new trades in this area and manage existing trades instead.

Sometimes the top and bottom of a basing area are flat, making it easy to tell when the market is approach-

“The leverage in swing trading comes from learning to time the trades with the rhythm of the market. This requires spending some time in the school of hard knocks, and learning to focus on the charts — not emotions or CNBC.”

ing support or resistance. Frequently, the top and bottom of the base slopes, which makes it a little harder to tell if the current swing has reached the upper or lower boundary of the base. In practice it is often best to close positions as the market approaches support or resistance



Figure 2. Daily chart of Royal Dutch on 01/06/04. Shortly after forming flag pattern (arrow), RD broke to upside and for next several days moved sharply higher.

rather than trying to time the exact top or bottom.

Figure 3 shows the NASDAQ in a three-month trading range. The island bottom at point 2 is an obvious place to start taking trades on the long side. Trades entered following the low at point 2 become profitable as the market bounces.

As the market approaches the most recent swing high (point 1), begin taking profits.

A previous swing high usually provides resistance, and the market usually does not

move through resistance on the first try. This is why I begin taking profits as the market approaches the previous swing high. In the case of Figure 3, the market exceeds the high of point 1 for two days. During this period I am out of the market looking for signs of a reversal, which

would provide an opportunity to take new swing trades on the short side.

The overbought nature of the 4-day Wilder RSI shown on the bottom of Figure 3 gives me confidence that the market will reverse in the area of the previous swing high, so I begin looking for a lower-low as an indication that a retracement has started. When the lower-low occurs a few days after point 3, I take swing trades on the short side and begin looking for the market to test the support of the recent swing low and signs of the market being oversold. As the market tests support at the bottom of the gap-up from point 2 while the 4-day RSI is showing an oversold condition, I take profits and start looking for a bounce to provide an opportunity to enter new long positions.

After testing the top of the gap from point 2 on four consecutive days (point 4), the market makes a higher high which signals me to enter new swing trades on the long side and begin looking for a retest of

the swing high at point 3, or an overbought condition.

I keep repeating the process outlined above until the market breaks out of the basing area after point 7. I am often asked why I take profits when the market is approaching resistance rather than holding positions to see if the market can break through resistance. The reason is that markets usually do not break through resistance on the first try, and no one goes broke taking profits. When the market finally does break through resistance or support (it always does), then I will establish new trades in the direction of the market.

Swing trading is a powerful tool that should be part of the trader's toolbox. As with most projects, the best results are obtained when an experienced user has the right tool for the job.

If you have questions on this article or would like to see Steve Palmquist's current market analysis and trading set-ups, send him an email at letter@daisydogger.com.

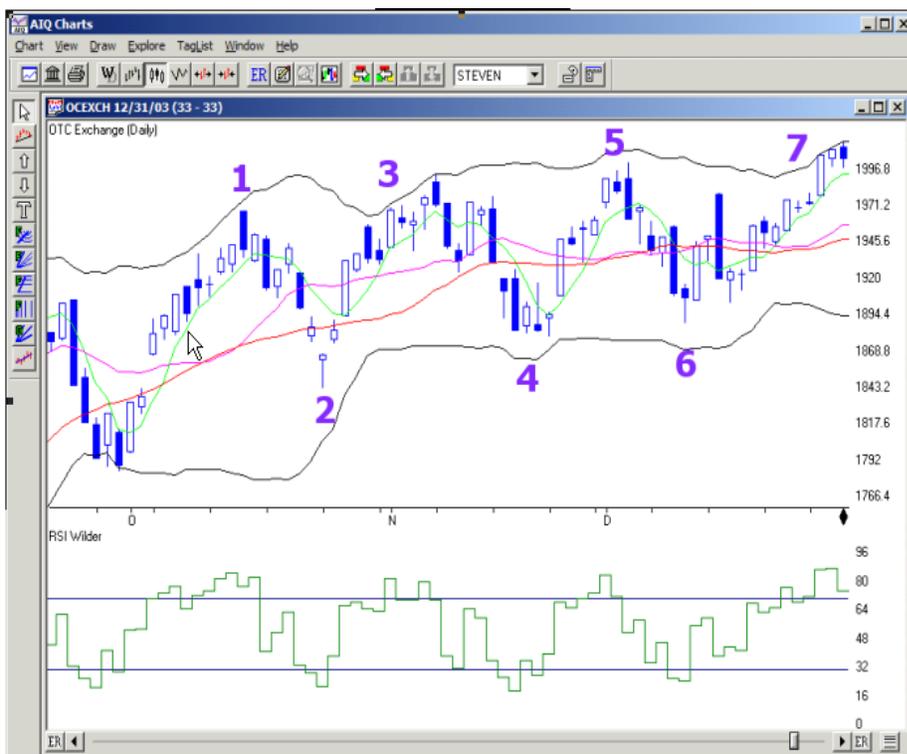


Figure 3. Candlestick chart of Nasdaq showing three-month trading range at end of 2003. Numbers on chart indicate swing highs and lows. RSI indicates these points coincide with overbought and oversold regions on chart.

Reserve your seat
 AIQ's 15th Annual
 Lake Tahoe Seminar
 See Page 9 for agenda and speakers at this popular seminar.
 Scheduled October 11, 12, and 13, 2004.

S&P 500 Changes

Changes to the S&P 500 Index and Industry Groups:

Sovereign Bancorp (SOV) replaces Union Planters (UPC). SOV is added to the Banks (BANKGRP) group.

Gilead Sciences (GILD) replaces Bank One (ONE). GILD is added to the Biotechnology (BIOTECHN) group.

STOCK DATA MAINTENANCE

The following table shows stock splits and other changes:

Stock	Ticker	Split	Approx. Date
Euro Tech Holdings	CLWT	3:2	08/03/04
Capital Cross	CAPX	2:1	08/10/04
Bank of Commerce	BOCH	3:1	08/17/04
Encore Wire Corp.	WIRE	3:2	08/17/04
Potash Corp. Saskat	POT	2:1	08/18/04
Bank of America	BAC	2:1	08/30/04
Countrywide Financial	CFC	2:1	08/31/04

Trading Suspended:
 Bank One (ONE), ISCO Inc. (ISKO),
 Kroll Inc. (KROL), Mony Group (MNY),
 Plains Resources (PLX), Vans Inc. (VANS)

Name Changes:
 Ethyl Corp (EY) to NewMarket Group (NEU)
 Network Associates (NET) to McAfee Inc. (MFE)
 WellCare Group (WCG) to WellCare Health Plans (WCG)



DAVID VOMUND

US and WAL Score Relationship

AIQ's US Score and WAL Score Can Be Valuable Market Timing Tools

By David Vomund

Effective market timing techniques come and go. Good market timers identify emerging techniques and stop using techniques as they begin to lose effectiveness. There is a short list of techniques that have withstood the test of time and continue to work year in and year out.

One such technique uses the Unconfirmed Signal Score (US Score) as a market timing tool. The US Score, found on AIQ's Market Log report, is an Up/Down Ratio of all unconfirmed Expert Rating signals for stocks in the user's database. In this article we'll discuss this technique and show the relationship between the US Score and the WAL Score. The WAL Score, also found on AIQ's Market Log report, displays the Up/Down Signal Ratio from the Weighted Action List.

AIQ added the US Score and WAL Score to the Market Log report in 1994. Many AIQ users have

"AIQ added the US Score and WAL Score to the Market Log report in 1994. Many AIQ users have followed them closely ever since."

followed them closely ever since. AIQ user Richard Schmidt, in a 1995 *Opening Bell* interview, said he used the scores as a confirmation of market direction. As recently as the May 2004 issue of the *Opening Bell*,

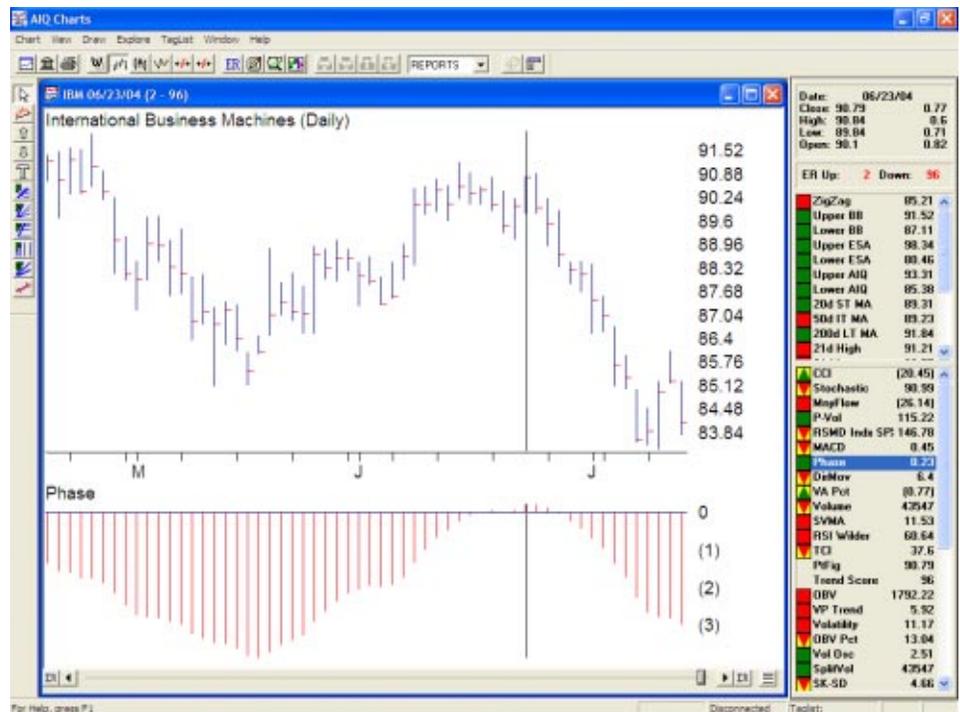


Figure 1. Daily chart of IBM. 96-Sell ER signal on 06/23/04 was confirmed two days later by change in direction of Phase indicator.

AIQ user Jeff Fryer discussed using the scores as his main market timing tool. Subscribers to my *VISalert.com* know that a large part of my market timing decisions are based on these scores as well.

What are the US and WAL Scores? To understand the scores you first have to understand AIQ's

Expert Ratings and a confirmation technique. Using pre-defined buy and sell rules, AIQ issues an Expert Rating for every equity on every trading day. Signals of 95 or greater are significant. **Figure 1** shows a

chart of International Business Machines (IBM) with the date set to 6/23/04. On this day IBM issued a 96 sell Expert Rating signal.

Expert Ratings on individual stocks can be erratic so most people apply a confirmation technique. The most popular technique looks at the direction of the Phase indicator (the Phase indicator is the MACD set to 10 and 49 days). With a confirmation technique, an Expert Rating buy signal is not confirmed until or unless the Phase indicator is increasing. Conversely, an Expert Rating sell signal is not confirmed unless or until the Phase indicator is decreasing.

Looking again at Figure 1, IBM

gave an unconfirmed sell signal on June 23. That's because the Expert Rating issued a 96 sell but the Phase indicator was increasing. It wasn't until two days later that IBM fell in value enough to lower the Phase indicator, confirming the sell signal.

Expert Ratings on individual stocks, even when confirmed, can be suspect but taken as a whole they are very telling. That is, when a lot of stocks give AIQ buy or sell signals at the same time, then that is often very revealing for the market's next move.

To see the percentage of stocks giving AIQ buy or sell signals, use the Market Log report. In Reports, double click *Summary Reports* and select *Market Log*. The last twelve generated Market Logs are saved. Open the most recent copy.

Figure 2 shows the Market Log on May 14, 2004. Near the top of the report, notice that the WAL Score is 92 – 8. That means of the stocks giving confirmed AIQ signals, 92% are on the buy side and 8% are on the sell side. Next to that is the US Score of 88 – 12. That means of the

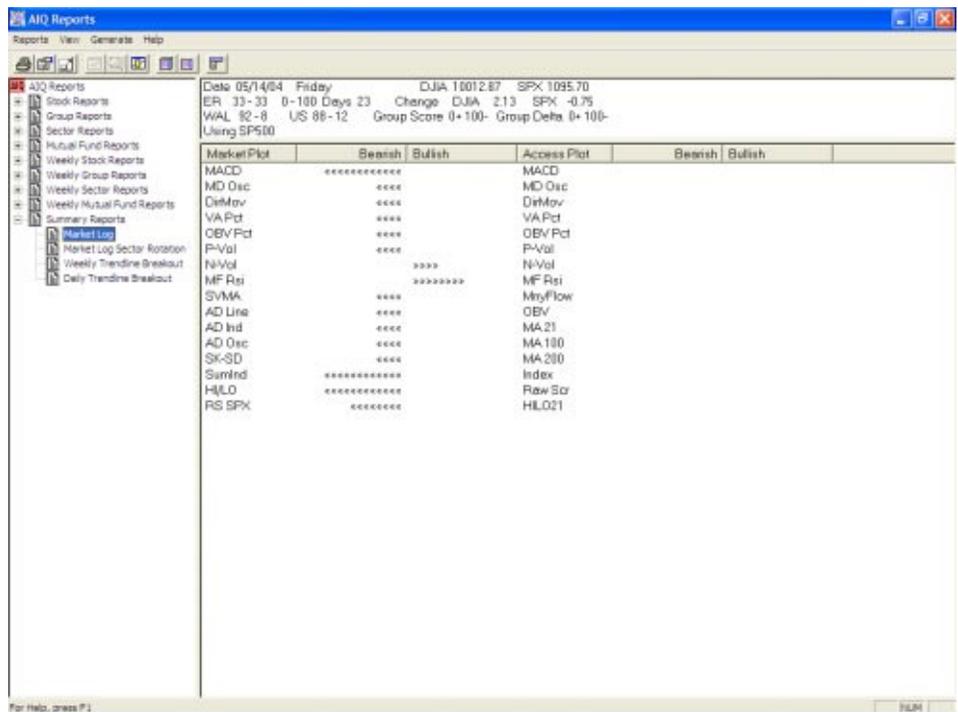


Figure 2. AIQ Market Log report run on 05/14/04. Listed at the top of the report are the WAL Score (92-8) and the US Score (88-12).

stocks giving unconfirmed AIQ signals, 88% are on the buy side and 12% are on the sell side.

The WAL and US Ratios are dependant on the stocks in your database. To maintain consistency, I

always run the Market Log report on a list of the S&P 500 stocks.

While it is helpful to monitor both ratios, the US Score is the more important of the two. That's because it leads the WAL Score. For example, if the US Score shows 95% buys implying lots of unconfirmed signals, then we know that when the market rallies most of these signals will become confirmed, leading to a bullish WAL Score.

The US Score is a valuable market timing tool and has withstood the test of time. A detailed article on how to apply this ratio can be found in the August 2003 *Opening Bell* (<http://128.121.114.137/aug2003obm.pdf>) with a follow-up in the January 2004 issue. I encourage you to re-read those articles.

In this article, we will concentrate on the US and WAL relationship; the market's May swing low provides an excellent example (**Figure 3**).

Table 1 shows the WAL and US Scores as the market formed its low. On May 7, the start of the table, the market was very weak as the Dow

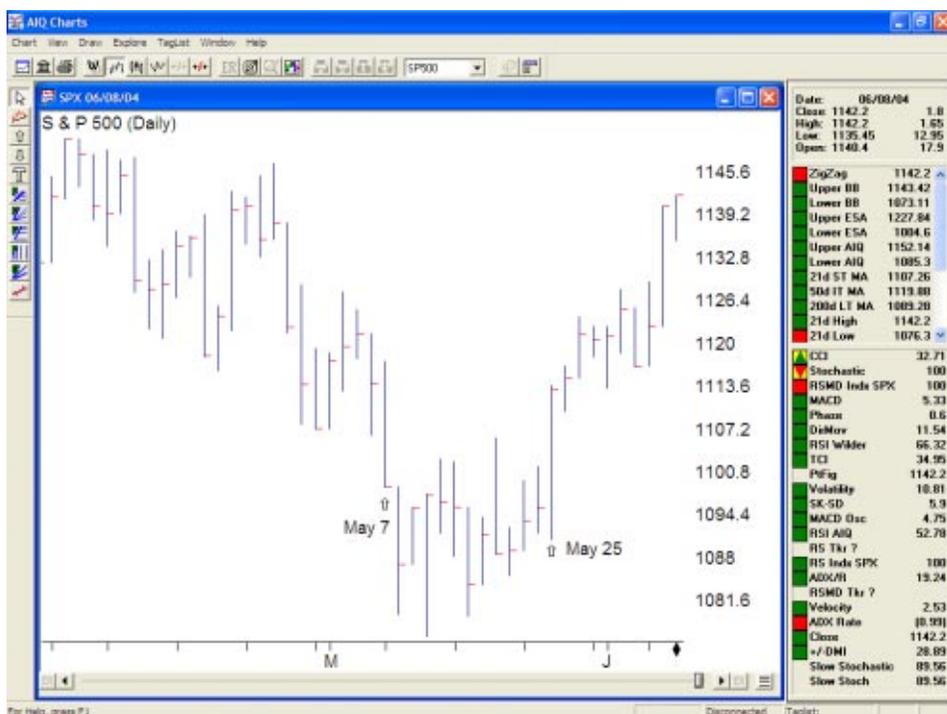


Figure 3. Daily chart of S&P 500 index showing swing low in May of 2004. Recovery on 05/25 was preceded by bullish US and WAL Scores.

fell 124 points. There was enough weakness to bring the US Score to a 95% bullish reading (any percentage greater than 85% is important). That was an indication that the market decline was nearing an end but it was too early to buy. Why? At the same time that the US Score was giving its bullish reading, the WAL Score showed 81% sells. It would take a few more days before the WAL Score moved to a more neutral level.

Over the next few days the market built a base. As it drifted sideways, the US Score remained bullish and the WAL Score moved to a more neutral reading. With the bullish US Score we knew that it would only take a small rally to confirm many of those signals and bring the WAL Score to a bullish mode. That happened on May 14 when the WAL Score was a bullish

more days. May 21 showed another bullish reading where both ratios were over 80%. Two days later the market responded to these bullish readings as the Dow gained 160 points.

As the market rallied, the US Score quickly went from bullish to bearish. By

May 27 the US Score showed 95%

sells. The US Score was bearish but the WAL's 88% buys showed that a short-term top had not been formed.

The US Score will catch almost every short-term top and bottom. It works similarly to the Stochastic indicator in that respect. On rare occasions, the US Score and the WAL Score agree with one another,

Table 1. WAL and US Scores

Date	WAL	US
5/07/04	19 - 81	95 - 5
5/10/04	16 - 84	99 - 1
5/11/04	46 - 60	98 - 2
5/12/04	58 - 42	97 - 3
5/13/04	76 - 24	96 - 4
5/14/04	92 - 8	88 - 12
5/17/04	64 - 36	89 - 11
5/18/04	73 - 27	84 - 16
5/19/04	75 - 25	88 - 12
5/20/04	71 - 29	84 - 16
5/21/04	83 - 17	80 - 20
5/24/04	86 - 14	63 - 27
5/25/04	94 - 6	25 - 75

just as they did on May 14. This event is a better indication of a short-term market top or bottom.

More than any other indicator, I've found the US Score and WAL Score to be extremely helpful in determining market tops and bottoms.

David Vomund publishes VIS Alert, a weekly investment newsletter. For a sample copy, go to www.visalert.com.

“While it is helpful to monitor both ratios, the US Score is the more important of the two...The US Score is a valuable market timing tool and has withstood the test of time.”

92% and the US Score was a bullish 88% — a good indication of a near-term bottom.

The market drifted for a few

Market Review

Up One Day, Down the Next -- Market's Range Is Narrowest In a Decade

The stock market continued to trade in a narrow range with modest volatility. Up one day, down the next. So far this year the market's range has been a mere 6.8 percent (versus 39 percent last year), the narrowest in a decade. This market is best suited for short-term trading.

A month ago it looked like the market might rally above its trading range. After the July correction, it is threatening to drop below the range. Late in the month, the S&P 500 fell right to its May closing low but buyers emerged on each occasion.

In July the S&P 500 fell just under 3.4%. That understated the severity of the correction in many

stocks. The Nasdaq Composite fell 7.8%.

The price of oil closed at 20-year highs, which boosted energy stocks. Energy was the best performing sector in July, gaining 7%. Utilities and Precious Metals had modest gains.

Most sectors fell in July. Electronics with a 12% loss was the worst performer. Consumer Products, Health Care, and Air Transportation fell about 6%.

AIQ invites you to attend the
15th Annual Lake Tahoe Seminar
 Harveys Resort and Casino
 South Lake Tahoe
 October 11, 12, and 13, 2004



Two-track format to start

This year's seminar starts out with 2 concurrent tracks on the first day. Track One will be for those recently joining AIQ or for users who need a refresher. Track Two will be for those more familiar with AIQ software, covering some more advanced topics. After lunch both tracks will combine for the remainder of the seminar.

All 3 days for only \$795

**Hurry! Limited seating
 call 1-800-332-2999**

Dan Zanger, chartpattern.com

Dan Zanger is Founder and President of chartpattern.com. Best known for his record breaking portfolio performance, Dan shares technical analysis education in his Understanding Chart Patterns section, and shows his international audience what setups he looks for in finding powerful movers in the market. Dan's stock recommendations which can be found in his four-night per week newsletter are little known, and often under institutionally-subscribed stocks that he brings to the attention of his readership BEFORE the institutions move them. Dan has been an AIQ user for 12 years.



Jerry Klein, investtalk.com

Founder of Klein-Pavlis-Peasley. Jerry, as clients and listeners feel comfortable calling him, began his career in the investment industry in 1962. Before starting his own firm, Jerry has acted as a Registered Securities Representative, Investment Advisor and Money Manager with a number of registered securities broker-dealers. He also co-presents the Investtalk radio show every week night.



David Vomund, Chief Analyst, AIQ Systems

David Vomund is editor of AIQ's Opening Bell newsletter, and publisher of VISalert.com newsletter. David is an experienced Money Manager and Market Timer.



Steve Palmquist, daisydogger.com

Steve Palmquist is a full time trader with nearly 20 years of experience and is a speaker at trade shows and seminars. Steve's daisydogger.com site provides trading tips and techniques, and the Timely Trades Letter provides a Market Outlook, trading setups, and trading tips. Steve is an AIQ user.



Dean Kasparian, President, AIQ Systems

Dean Kasparian is President of AIQ Systems. An experienced analyst, Dean has been actively involved in all aspects of AIQ product development, AIQ seminars and workshops.



Rich Denning, CPA Stock Investor

Rich Denning, CPA, has been an AIQ user since 1985. A stock investor since 1973, Rich has concentrated on short-term trading using systems written in AIQ's EDS language.



Steve Hill, Vice President, AIQ Systems

Stephen Hill is Vice President of AIQ Systems. Steve has 12 years experience with AIQ products. He has been involved in all aspects of AIQ through support, sales and teaching seminars.



SPECIAL SECTION --- OCTOBER TAHOE SEMINAR

**DAY
ONE**

Monday October 11, 2004

7:30 - 8.30am Registration and AIQ Hosted Breakfast

Track 1 - Using AIQ Effectively

8:30am - 10:00am

Getting Started Right *David Vomund*

David Vomund will discuss such areas as Market Timing, Stock Selection and Group/Sector Rotation. Both this session and the following session are perfect for a refresher or if you are new to TradingExpert Pro.

10:30am - 12:00noon

Getting the Best Out of AIQ *Dean Kasparian*

Dean Kasparian will discuss the primary elements of AIQ's TradingExpert Pro and will focus on how to get the best out of these tools.

Track 2 - Trading and Exiting

8:30am - 10:00am

Real Time Trading Strategies *Steve Hill*

Steve Hill will focus on real time trading systems in both RT Alerts and in the new AIQ Real Time Back Test feature. Exiting strategies in real time will also be discussed.

10:30am - 12:00noon

Exit Trading Strategies *Rich Denning*

Rich Denning will focus on the importance of exiting strategies and their place in your overall trading systems, including trailing stops, system exits and days held exits.

12:00noon - 1:30pm AIQ Hosted Lunch

Track 1 and Track 2 combined for afternoon sessions

1:30pm - 3:00pm

Trading with the Market Part I *Steve Palmquist*

Steve's sessions outline trading strategies and how to vary the trading style and exit strategies based on current Market conditions. Steve will be sharing EDS scans and stop loss strategies that he uses in his trading. He will also explain how he analyzes the Market to determine which set of tools to use.

3:30pm - 5:00pm

Hidden Tools in AIQ *David Vomund*

David Vomund will discuss some of the lesser known but very powerful tools within AIQ's TradingExpert Pro. Topics will include Hot Keys, Color Studies, Data Management, Custom Indicators, Breadth Builder, and much more.

**DAY
TWO**

Tuesday October 12, 2004

7:30 - 8.30am AIQ Hosted Breakfast

8:30am - 10:00am

Trading System Design *Dean Kasparian*

In this session Dean kasparian will discuss the elements critical to forming a trading system strategy and discuss some of the pitfalls and traps to avoid in developing a system.

10:30am - 12:00noon

ETF Trading *David Vomund*

Exchange Traded Funds (ETFs) are the fastest growing financial product in the United States. In this session, David will discuss various ETF trading strategies. While day-trading strategies will be highlighted, most of the focus will be on longer-term rotational systems. David will discuss several mechanical trading systems, including the one that he uses for his managed account program, ETFportfolios.net.

12:00noon - 1:30pm AIQ Hosted Lunch

1:30pm - 3:00pm

Trading with the Market Part II *Steve Palmquist*

Part II of Steve's session from yesterday.

3:30pm - 5:00pm

Lessons from a Money Manager and Radio Talk Show Personality *Jerry Klein*

Radio personality, Money Manager, and AIQ user Jerry Klein will discuss his analysis techniques, including the use of chart patterns, indicator readings, and basic fundamental analysis. Common pitfalls investors make will also be highlighted as well as his own "Stink-O-Meter."

6:00pm - 9:00pm AIQ Hosted Cocktail/Dinner Reception

**DAY
THREE**

Wednesday October 13, 2004

7:30 - 8.30am AIQ Hosted Breakfast

8:30am - 9:30am

What's New in AIQ

Dean Kasparian

Dean will cover the new features in AIQ's latest version of TradingExpert Pro including such power features as Real Time Back Testing, Custom Indicators, Custom Barometer in Quotes and Historical Real Time Data.

10:00am - 12:00noon

Trading off Chart Patterns

Dan Zanger

Over the last 15 years, Dan has spent over 10,000 hours studying every type of chart pattern formation imaginable. From Cup and Handle patterns to Falling Wedges, Ascending Triangles, Bull and Bear Flags. In this session Dan will highlight chart patterns and how they can lead you to the biggest movers in the market. Dan will focus on patterns and trendlines and how he uses them for timing his trades.

Seminar concludes at noon

**Included in your seminar
price of \$795**

Value for your money

\$795

- AIQ hosted continental breakfast, refreshments during morning and afternoon breaks.
- AIQ hosted lunch Monday and Tuesday.
- AIQ hosted cocktail reception/dinner on Tuesday, October 12th at 6pm

Harveys Resort & Casino

AIQ has negotiated discount room rates with Harveys Resort and Casino.

**To take advantage of \$99 week night rates
call 1-800-455-4770**

AIQ real time computer stations

AIQ will have real time data hooked up on two systems during the seminar for attendees to use. These systems will be outside the session rooms.

LIMITED SEATING

Call 1-800-332-2999

To Reserve Your Seat

Breakthrough! AIQ now offers real-time backtesting on baskets of tickers

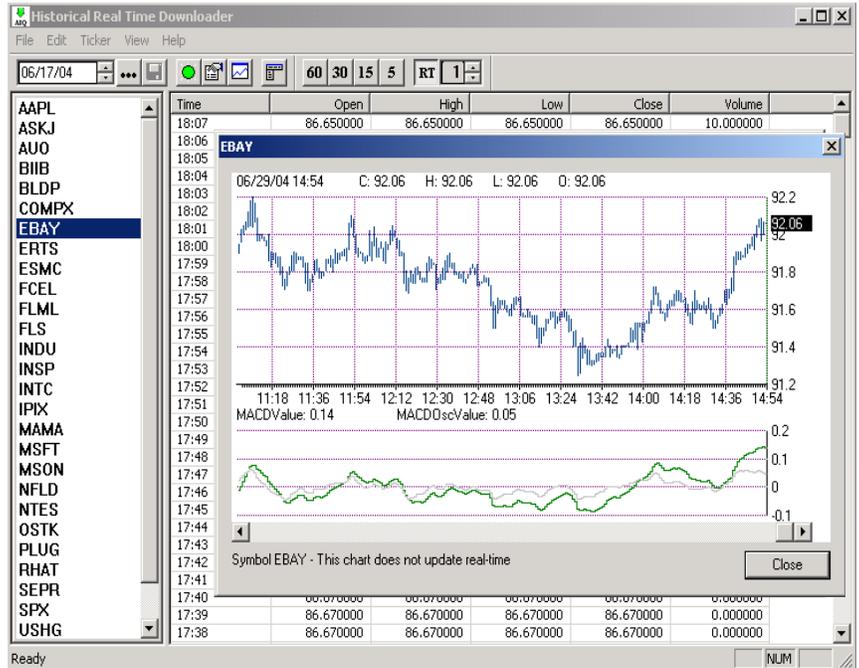
Real time back testing like you never seen before, all on your local drive, multiple tickers and strategies.

REAL TIME DATA ON YOUR HARD DRIVE

Accumulate and store real time data on your hard drive and have it update every night automatically with your regular end of day download. You can also update during the day for up to the moment testing. You decide the list of stocks to collect real time data. 30 days of one minute bars are available from the TrackData servers. After that just keep downloading and your database grows each day.

BACK TEST LISTS OF STOCKS REAL TIME

Now all the powerful trading system design tools that Expert Design Studio has to offer can be applied to real time data. You can even chart the stored real time history.



▲ Ticker	Held	Entry Date	Entry Price	Exit Date	Exit Price	Profit
AAPL	13	06/16/04 09:45:00	30.7100	06/17/04 10:15:00	32.2300	1.5200
EBAY	331	06/16/04 09:00:00	87.2000	06/28/04 15:15:00	92.4000	5.2000
ERTS	295	06/16/04 10:15:00	51.5500	06/29/04 11:00:00	53.8700	2.3200
MSFT	234	06/17/04 08:15:00	27.3300	06/24/04 14:30:00	28.4200	1.0900
SEPR	17	06/16/04 09:15:00	49.2000	06/17/04 10:00:00	51.1700	1.9700
YHOO	61	06/24/04 15:15:00	33.9100	06/28/04 09:30:00	35.1100	1.2000
YHOO	226	06/16/04 08:30:00	32.2000	06/24/04 09:30:00	33.6400	1.4400

MULTIPLE STRATEGIES REAL TIME

Multiple trading strategies can be combined and tested with ease and you can do it off line, no worries over streaming data.

QUOTES AND CUSTOM BAROMETER

Now you can apply the unique bullish/bearish Color Barometer from AIQ Charts to your AIQ Quotes. What better way to get a snapshot of how your stocks are performing. Apply multiple time frames to each ticker and even view the last 5 indicator barometer readings for a trend analysis.

Ticker	Ask	Bid	Change	Last	+/-DMI-1m	+/-DMI-W
IBM	88.37	88.28	-0.42	88.29		34.60
MSFT	28.69	28.46	+0.32	28.6		43.16
AAPL	32.5	32.17	-0.32	32.17		6.85
RIMM	63.5	63.34	+2.26	63.25		37.16
TASR	40.01	39.77	-3.09	39.85		57.57

CUSTOM INDICATORS AND BAROMETER COMBINED

Combine the powerful Barometer with a Custom Indicator created in Expert Design Studio to create your own color alerting.

The power of AIQ's Barometer applied to Quotes and Custom Indicators.

Available this summer.
New to AIQ or returning to AIQ ask about reserving your copy now.

1-800-332-2999 or 1-775-831-2999

Existing monthly service clients this upgrade will be FREE