

III. Tutorials

These tutorials give you basic directions on how to:

- **Set up your system, and use supplied data for learning.**
- **Determine market direction.**
- **Select stocks using a top-down approach, applying TradingExpert Pro's group/sector analysis capabilities.**
- **Select stocks using a bottom-up approach, utilizing AIQ screening reports.**
- **Use the Profit Manager stop system.**
- **Get ready to start trading.**
- **Use the Expert Design Studio to develop and test your own screening strategies.**

Section I.

First Steps

In This Section

- Where to find AIQ's Expert Rating timing signals 32
- A word about historical data supplied with TradingExpert 36
- Setting up reports 38
- Using supplied data for learning and testing 41

Where to find AIQ's Expert Rating timing signals

AIQ's Expert Rating timing signals for the general market and for stocks, groups, and sectors are found on the AIQ charts. Also on the AIQ charts, you can display your choice of indicators from the TradingExpert Pro Indicator Library.

To view an AIQ market timing signal

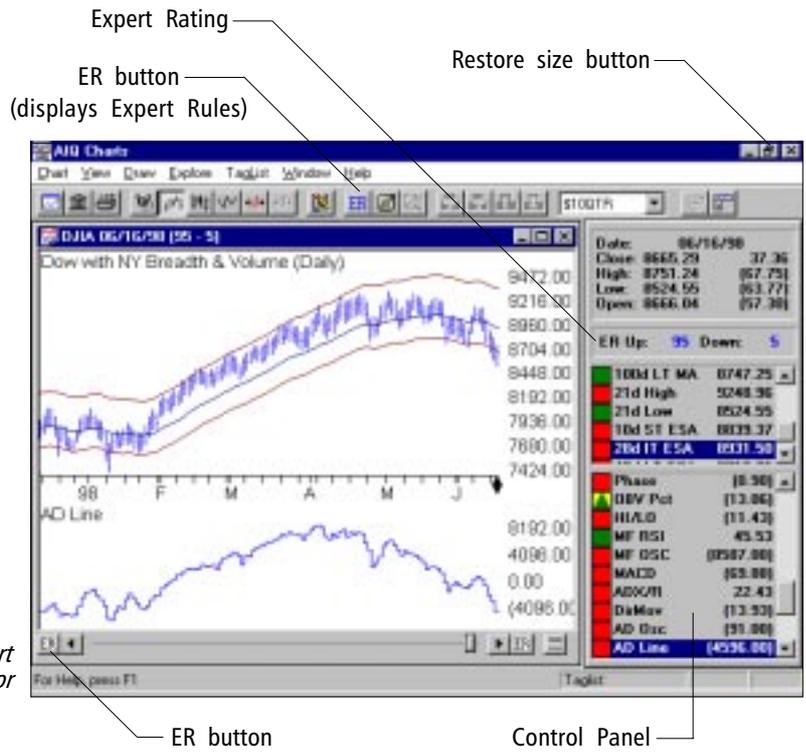
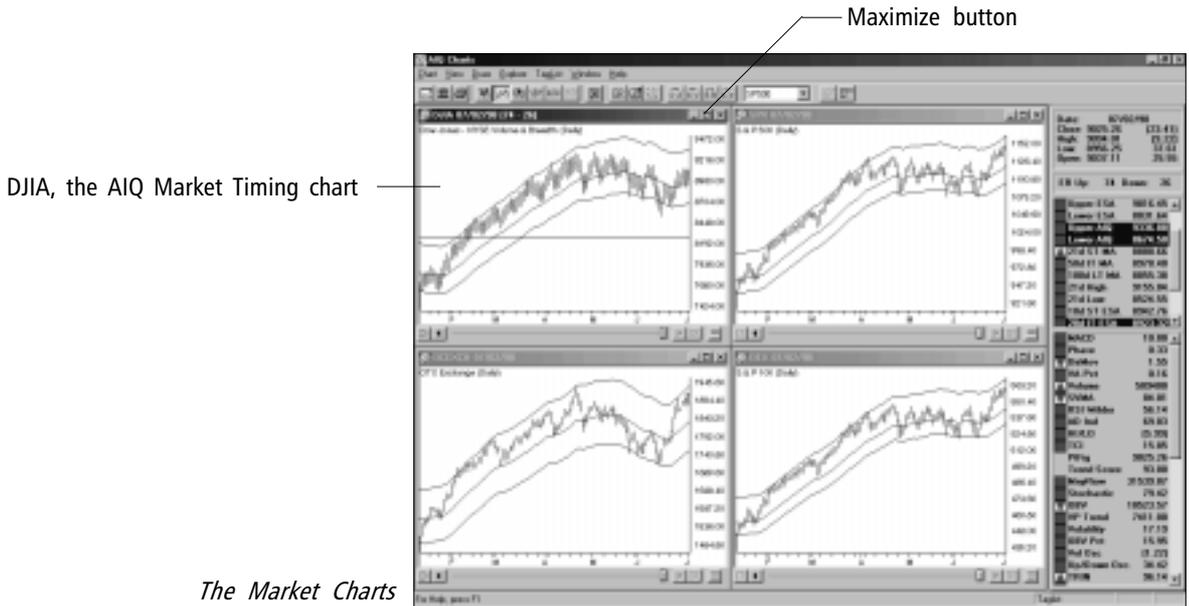
AIQ market timing signals are found on the AIQ Market Timing Chart. To display a Market Timing Chart, follow the steps below.

1. From the AIQ Main Menu, double click the **Market Charts** application icon.
2. Four charts will be displayed. At upper left will be the DJIA (the Dow Jones Industrial Average with New York Stock Exchange volume and breadth). This is the AIQ Market Timing Chart. In addition to the DJIA Market Timing Chart, charts will be displayed for the NASDAQ composite index with OTC volume and breadth, and two market indices, the SPX (S&P 500 Index) and the NYA (New York Stock Exchange Index).
3. Click the **Maximize** button on the DJIA chart to enlarge it.
4. In the Control Panel of the enlarged DJIA chart, click the **Upper AIQ** (upper AIQ Trading Band). Hold down the **Ctrl** key and click the **Lower AIQ** (lower AIQ Trading Band). Again holding down the **Ctrl** key, click **28d IT ESA** (28-day Intermediate-Term Exponentially Smoothed Average). Click the arrows in the scroll box to see all the indicators.
5. From the bottom section of the Control Panel, click the indicator **AD Line** (Advance/Decline Line). You should now see a DJIA chart similar to the one shown.

Note

To display price data and indicators for the NYA or SPX market indices, activate the respective chart by clicking on the Title Bar with your mouse. Notice that when you activate one of these two indices, there is no Expert Rating (ER) displayed, and volume and breadth indicators disappear. Indices, including market indices, do not have volume necessary for Expert Ratings or volume-based indicators.

A price plot of the Dow Jones Industrials appears at the top of the Market Timing Chart with the Trading Bands superimposed. The indicator you selected appears below the price plot. The date that is displayed at the top of the Control Panel at right is the most recent date of the data in your data base for the DJIA. Also in this upper section of the Control Panel is price data for the DJIA for this date.



Enlarged Market Timing Chart (DJIA) with AD Line indicator

Below the price data is the AIQ Expert Rating (ER). This Expert Rating is also displayed in the Title Bar at the top of the chart. Expert Ratings consist of two values - the upside rating is on the left and the downside rating is on the right. Both are based on a scale of 0 to 100, with 100 being the strongest possible signal either direction.

Expert Ratings of 95 and above, upside or downside, are considered strong signals. To view Expert Rating signals of 95 and above (upside or downside), use your mouse to click the **ER** button at far left on the scroll bar at the bottom of the DJIA chart. The Date Line will move to the most recent Expert Rating signal. Continue to click the **ER** button to view other Expert Rating signals.

Another feature of the AIQ charts allows you to examine some of the specific technical conditions which result in the generation of the Expert Ratings. These technical conditions are expressed in terms of the Expert Rules that are built into the AIQ expert system. Click the **ER** button on the toolbar at the top of the chart and a window appears displaying some of the rules that fired on the date you are examining.

To view an AIQ stock chart

Follow the steps below to display a chart of one of the S&P 500 stocks. (In our example, we have chosen Ford.) You do not need to exit from the Market Charts.

1. If you are not in the *Charts* application, return by double clicking the *Charts* icon on the AIQ Main Menu.
2. If you did not exit from Market Charts, click the **Restore** button on the AIQ Market Timing Chart to restore it to its original size. The three Market Charts will again be displayed.
3. Click **Chart** on the menu bar.
4. From the drop-down menu, click **Chart Ticker** and a dialog box appears.
5. Type the ticker symbol **F** (Ford) at the blinking cursor. Click the **New Chart** option button, then click **OK**. If you did not exit from the Market Charts, five charts will be displayed. The Ford chart, in the upper left, will be the active chart. (The chart with the colored Title Bar is the active chart.)
6. In the Control Panel at right, click **Upper BB** (Upper Bollinger Band).
7. Hold down the **Ctrl** key and click **Lower BB** (Lower Bollinger Band). Click the arrows in the scroll box to see all the indicators.

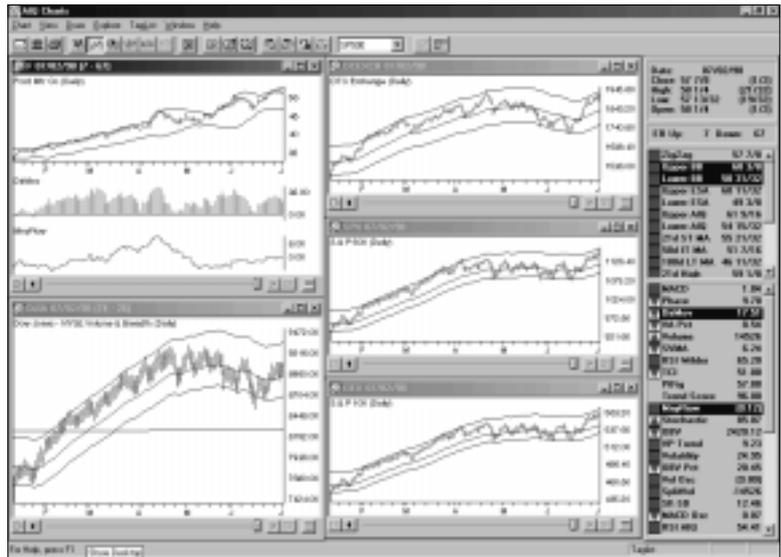


Chart of Ford with four Market Charts

- From the bottom section of the Control Panel, click the indicator **DirMov** (Directional Movement).
- Again from the bottom section of the Control Panel, hold down the **Ctrl** key and click the indicator **MnyFlw** (Money Flow).

You should now see multiple charts similar to the charts shown, with the Ford chart at upper left. (If you exited from the Market Charts before entering Ford, only the Ford chart will appear on your screen.)

A price plot of Ford appears at the top of the chart with the Bollinger Bands running through the price bars. The two indicators selected appear below. The Date that appears at the top of the Control Panel at right and in the Title Bar of the chart is the most recent date of the data in your data base for this particular stock. In the upper section of the Control Panel is the price data for Ford for the date shown. Below the price data is the AIQ Expert Rating (ER).

Note

How to use the AIQ charts is documented in detail in Chapter IV of the User Manual. An explanation of each of the technical indicators that can be charted is found in the Technical Indicators Reference Manual.

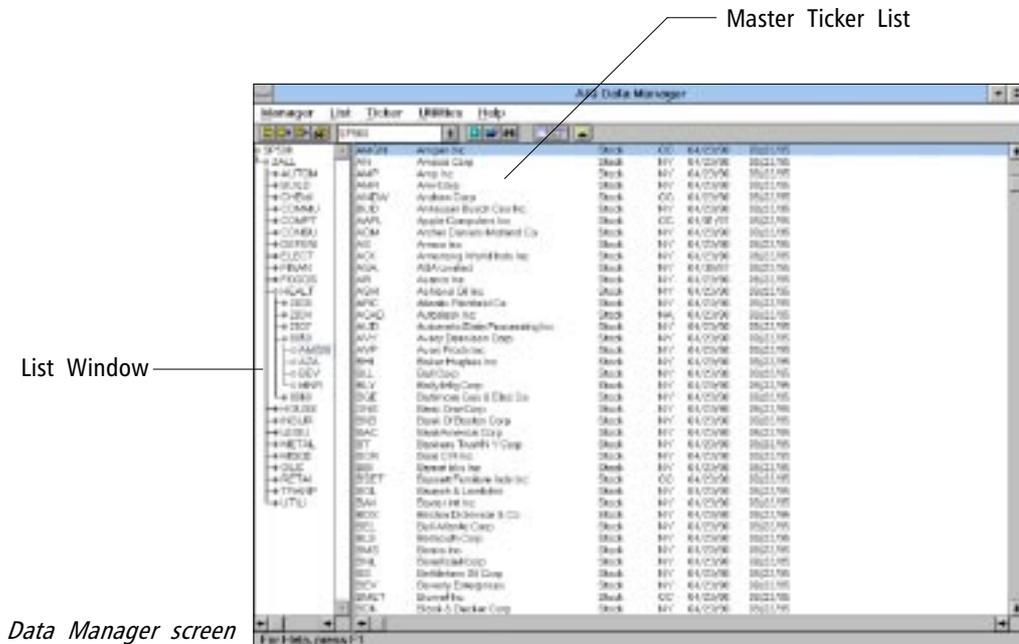
If the active chart is a stock and fundamental data has been downloaded for that stock, fundamental information can be accessed by simply pressing the "F" key.

Using the above procedure for entering a stock chart, you can display charts for any of the S&P 500 stocks, which were installed during the TradingExpert installation process.

A word about the historical data supplied

Once you have become thoroughly familiar with the program and have sufficiently tested the Expert Rating signals for both the market and for individual stocks, you are ready to start using TradingExpert for trading. At this point, you may want to spend a few weeks paper trading to gain additional confidence. (Paper trading is simply an exercise in which you go through the entire trading process but, rather than investing real money, you keep a record of your gains and losses on paper.)

The data that you received with TradingExpert Pro includes 5 years of historical data for each of the S&P 500 stocks, 20-plus years of historical market timing data, data for several indices, and a group/sector list.



To check the data that has been installed in your data base, open the **Data Manager** application. The Master Ticker List appears in the large window at right. Data is identified by type — stocks, groups, sectors, indexes, and markets. Also listed are the first and last dates of the data for each ticker. The first date of data tells you how far back in time you can look at a ticker on an AIQ chart.

Tip

To display a chart of any ticker in the Master Ticker List, simply highlight the ticker by clicking on it with your mouse, then click the **Chart** button on the toolbar.

Notice that there are three markets in your data base — the Dow Jones with NYSE Volume and Breadth (DJIA), the American Exchange, and the OTC Exchange. The chart of the DJIA is the AIQ Market Timing Chart where Expert Ratings are found. You have 20-plus years of historical data for the DJIA.

You can add mutual funds and futures to this Master Ticker List.

You can view the structure of the Group/Sector List by displaying it in the List Window of *Data Manager*. If you have installed the S&P 500 Industry Groups, **SP500** will appear in the List Window at left. Just below the list name is the master sector name, **ZALL**. To see all the sectors in this list, double click on **ZALL**. Then double click on each sector to view all groups in each sector. Finally, double click on each group to view all stocks in each group.

Tip

You can expand or contract the master sector, sectors, and groups by using the *Expand Level* and *Contract Level* commands found on the sub-menu of *List*. First click on the sector or group you want to expand (or contract), then click **List** on the menu bar and choose **Expand Level** or **Contract Level**.

Setting up reports

TradingExpert provides over 120 reports, most of which are available in both daily and weekly versions. AIQ reports can be very helpful in working with TradingExpert.

Before reports can be viewed on screen or printed, you must first generate them. The term *generate reports* refers to the process of computing, screening, sorting, and storing all of the information that is required for each report. Once reports have been generated for a particular date, the report information for that date is stored until you generate reports again for a different date.

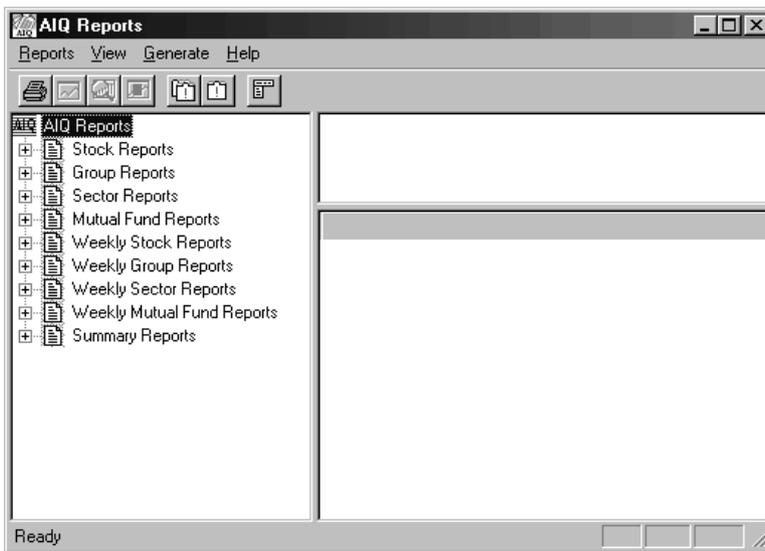
How to generate reports

□ *Follow these steps:*

1. Open the **Reports** application. The left pane of the Reports window lists the available TradingExpert Pro reports. This list is displayed in a hierarchial structure (similar to the way that folders are listed in the left pane of the Windows Explorer window). Only the top level (the nine basic report categories) is visible when the window initially opens.

Note

Depending on the size of your data base and the speed of your machine, generating reports can be a time-consuming procedure.

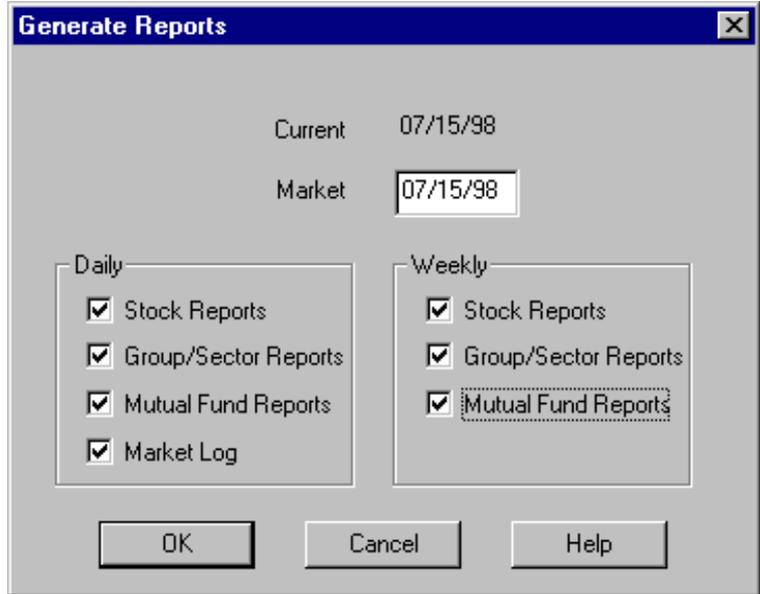


Reports window

Note

When you are ready to connect to a data service for current updating of your data, reports can be automatically generated after each updating session. You can also elect to automatically print the reports after each updating session.

2. Click **Generate** on the menu bar and then choose **Generate All** from the sub-menu. The *Generate Reports* dialog box appears.



Generate Reports box

3. The two lists of options labeled *Daily* and *Weekly* allow you to select the types of reports that will be generated. To generate all reports, all options in both lists should be checked.
4. Change the date in the box labeled *Market* to any date for which you have historical data. (To see the earliest date of your data, check the Master Ticker List in *Data Manager* or look at a chart in *Charts* to see when your data was last updated.)
5. Click the **OK** button on the dialog box and the process of generating the reports for the date entered will begin.
6. Once generated, reports are stored on your hard disk and are available for viewing and printing.

To display a report for viewing

Reports that have been generated are immediately available at any time for viewing on the screen.

□ *To view a report, do the following:*

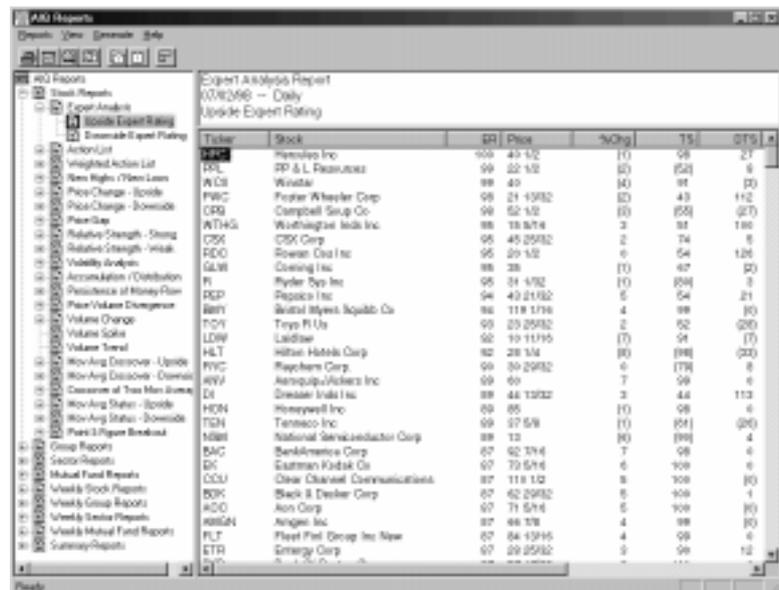
1. Open the **Reports** application.
2. In the left pane, click on the plus sign in the box at the left of a report category. The list will expand to display all of the reports available within that category. Most report categories are further divided into subcategories and you must choose a subcategory before you can select an actual report.
3. When you have located the report you want to view in the left pane of the Reports window, click on the report icon.
4. The report will be displayed in the right panes.
 - The report title be displayed in the upper right pane.
 - The report itself will be displayed in the lower right pane.
 - To view all information listed in a report, enlarge the window pane or use the arrows and scroll bar to move the displayed report.
5. To change the displayed report, choose another report icon from the left window pane.

Tip

While viewing a report, you can display a chart of any ticker in the report by double clicking on the ticker symbol. Or, highlight a ticker symbol with your mouse, then click the **Chart** button on the toolbar. To return to Reports, press the **Alt + Tab** keys.

Tip

While viewing a report on screen, you can quickly print the report by clicking the **Print** button on the **Reports** toolbar.



Ticker	Stock	SP	Price	%Chg	TS	QTS
AMZN	Amazon Inc	99	40 1/2	(1)	55	21
SP	SP & L Resources	99	22 1/2	(2)	(52)	6
WDC	Waste	99	45	(4)	91	(2)
PWC	Procter & Gamble Corp	98	21 1/2	(2)	43	112
CRG	Campbell Soup Co	98	52 1/2	(0)	(58)	(27)
WTHG	Worthlighter Inds Inc	88	18 3/4	3	51	188
CSX	CSX Corp	95	45 25/32	2	74	5
RGEN	Rowan Cos Inc	95	29 1/2	6	54	126
GLW	Corning Inc	88	38	(1)	67	50
RYL	Ryder Sys Inc	95	34 1/2	(1)	(94)	3
DCP	Dynaco Int	94	43 21/32	5	54	21
BEP	Bentley Systems Inc	86	118 1/4	4	98	10
TCY	Tracy Pls	99	25 25/32	2	52	(20)
LDW	Ladbro	92	19 11/16	(7)	51	(7)
HIT	Hilton Hotels Corp	82	118 1/4	(0)	(98)	(20)
PWC	Procter & Gamble Corp	99	30 25/32	6	(78)	8
AVY	Aerquip/Richrs Inc	99	60	7	59	6
DI	Drexler Indls Inc	88	44 13/32	3	44	113
HON	Honeywell Inc	89	85	(1)	68	6
TCH	Tenneco Inc	99	37 5/8	(1)	(51)	(25)
NBS	National Servicefactor Corp	88	13	(0)	(98)	4
BAC	BankAmerica Corp	87	62 3/4	7	98	6
DK	DuPont Knit Co	87	70 5/8	6	108	6
CCU	Clear Channel Communications	87	118 1/2	8	108	(0)
BOP	Blockbuster Corp	87	62 25/32	5	106	1
ACG	Aon Corp	87	71 5/8	5	108	(0)
MSK	Morgan Stanley	87	68 3/8	4	98	(0)
PLT	Planet Fitness Inc New	87	84 13/16	4	69	6
ETI	Emergent Corp	87	29 25/32	9	98	12

Upside Expert Analysis Report

Using supplied data for learning and testing

Note

Follow instructions in this section in order to duplicate on your screen the examples discussed in this Working Guide.

The historical data that is supplied with TradingExpert Pro can be used for learning and testing purposes. You can change the Market Date for charts and reports to any prior date for which you have historical data. This enables you to perform historical studies and become familiar with using the AIQ charts and reports.

The Market Date can be changed globally for all reports. The Market Date for charts, however, is changed individually for each ticker with two exceptions: when you select the *Replace Chart* option in the *Chart Ticker* dialog box or when using TradingExpert's *Explore* feature, the most recent Market Date designated is used for new charts displayed.

To change the Market Date for a security chart

□ *Do the following:*

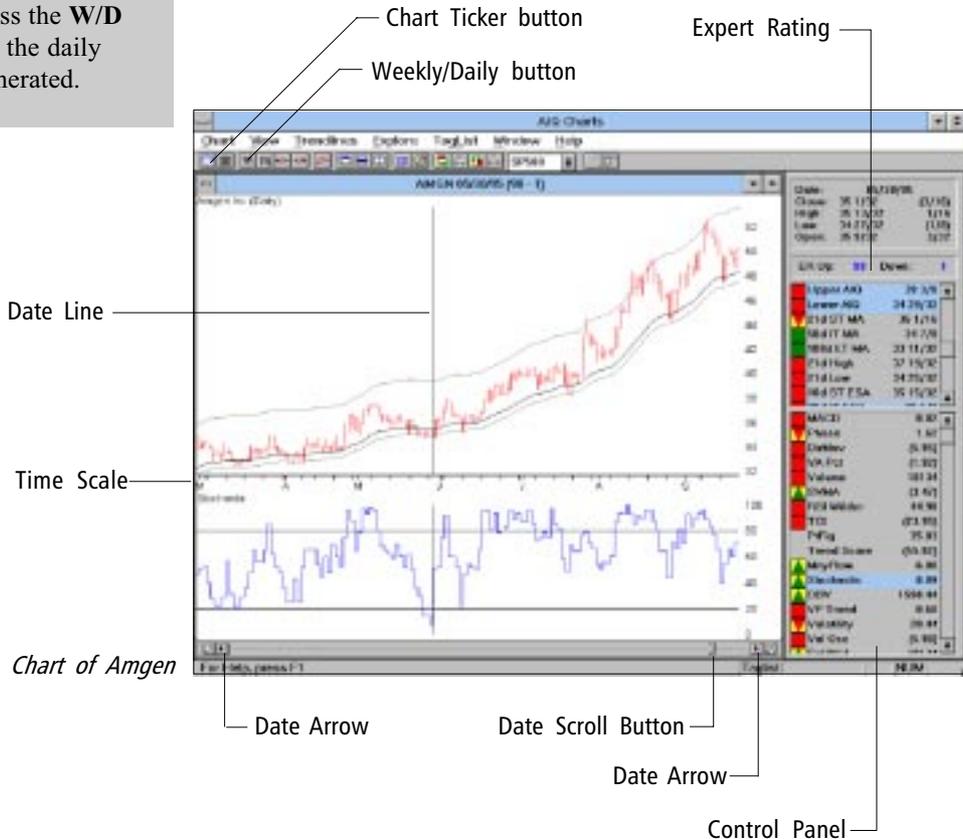
1. In the **Charts** application, click the **Chart Ticker** toolbar button.
2. Type a ticker symbol (the symbol must be in your Master Ticker List) in the text box of the dialog box that appears, and click the **New Ticker** command button.
3. When a chart of the ticker appears, a vertical Date Line is positioned at the far right, designating the most recent date of data in your data base. Values of the indicators and the Expert Rating displayed in the Control Panel reflect this date, which is called the Market Date.
4. The Market Date can be changed by moving the vertical Date Line. When you change the date by moving the Date Line, the data in the Control Panel will change to reflect the new date. Remember, a minimum of 200 periods of historical data are needed prior to the analysis date for TradingExpert to compute a valid Expert Rating timing signal.
5. To change the Market Date, use one of these four methods:
 - Move the date in the direction you want, one day at a time, by using the left and right Date Arrows on the bottom scroll bar.
 - Point to a date on the Time Scale with your mouse (a small calendar will appear) and click the left mouse button.

- Point to a date on the Time Scale with your mouse (a small calendar will appear) and click the right mouse button. The chart will recompute and this new date will become the current Market Date at far right on the chart. (You may also use the 'D' key to change the date.)
- Drag the Date Scroll Button on the scroll bar. When you drag the Date Scroll Button, the changing date is displayed in the bottom right corner of the chart.

Note

Although all data within TradingExpert is stored on a daily basis, a chart displaying weekly data can be seen by clicking the **W/D** button on the toolbar. To change back to daily data, press the **W/D** button again and the daily plot will be regenerated.

6. Once you have changed the Market Date for a security, when you chart another security, click **Replace Ticker** instead of **New Ticker** to use the same Market Date.



To change the Market Date for Market Charts

□ *Do the following:*

1. Display AIQ's Market Charts by clicking the **Market Chart** icon in TradingExpert Pro's Program Group or Quick Launch Menu.
2. Three charts will be displayed, with the vertical Date Bars at the extreme right indicating the most recent dates of data in your data base. The chart of the Dow Jones with NYSE Volume and Breadth is the AIQ Market Timing Chart. Make the chart you want to analyze "active" by clicking on its Title Bar (Title Bar of active chart is highlighted).
3. Change the Market Date using the four different methods outlined in Step 5 above for security charts.

To change the Market Date for reports

□ *Do the following:*

1. Open the **Reports** application.
2. Click **Generate** on the menu bar and then choose **Generate All** from the sub-menu. The *Generate Reports* dialog box appears.
3. To generate all reports, all options in both *the Daily* and *Weekly* lists should be checked.
4. Change the date in the box labeled *Market* to any date for which you have historical data.
5. Click the **OK** button on the dialog box and the reports for the date entered will be generated.

Reminder...

More detailed information about TradingExpert Pro functions mentioned in this New Users Guide can be found in your User Manual. Or, use TradingExpert Pro's Online Help by clicking on the **Help** command buttons.

