



Bloomberg Chicago Charts Day TA: INCREASING ALPHA

Erlanger Studies on Bloomberg **ERLA <GO>**

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Bias

Setups

Triggers

Risk

General Concepts

Potential Risks Are Often Ignored

Use Bias Indicators to Handle Risk

Risk



Risk



Risk

Blue Chip Stock :

The issues of normally strong, well-established companies that have demonstrated their ability to pay dividends in good times and bad times such as...

Exam Study Guide for Series 65 Investment Advisors Exam

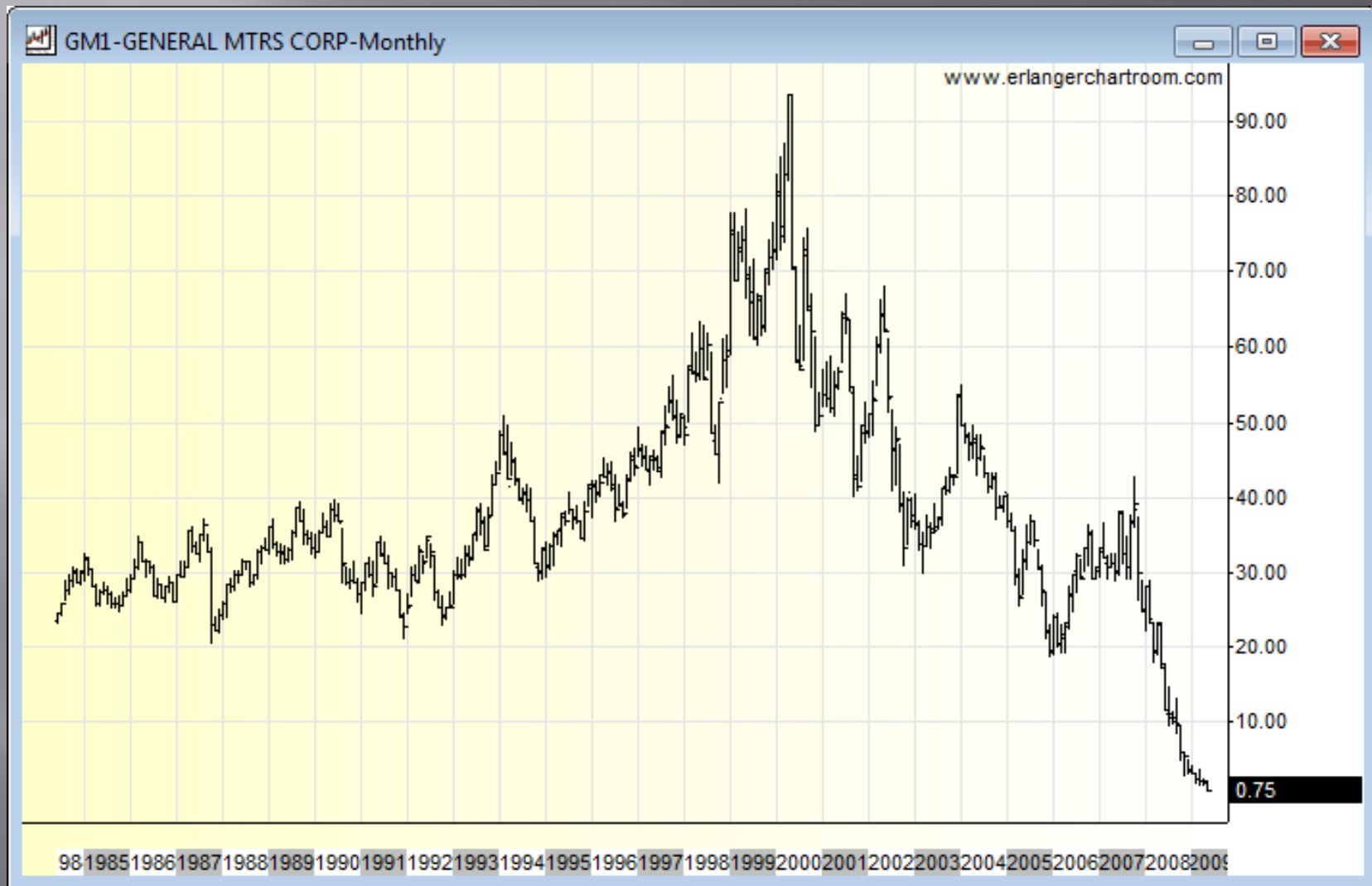
Risk

Blue Chip Stock :

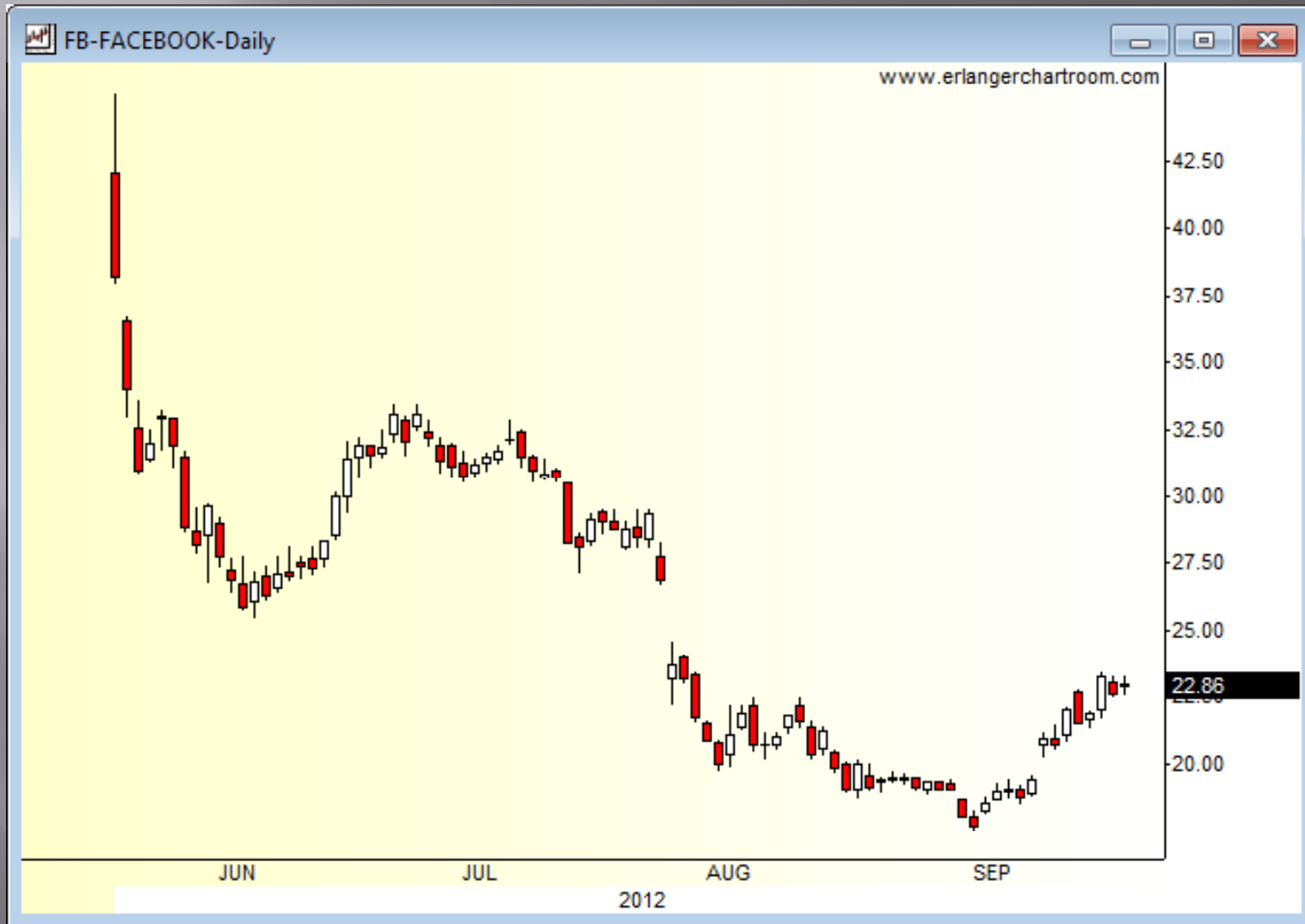
The issues of normally strong, well-established companies that have demonstrated their ability to pay dividends in good times and bad times such as... General Motors.

Exam Study Guide for Series 65 Investment Advisors Exam

Risk



Risk



Risk



Bias

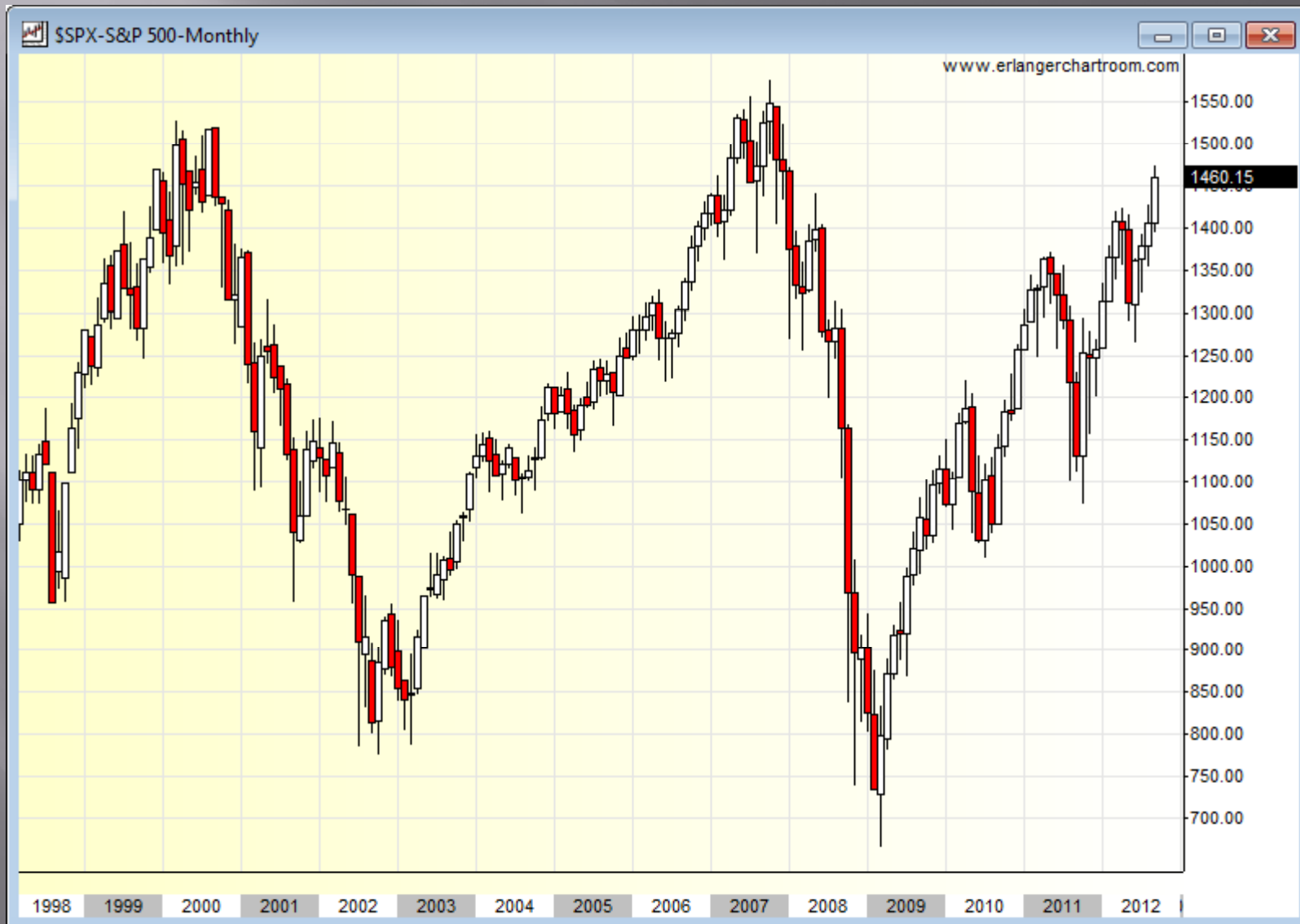
Highlights the Big Picture

**Should We Be Buying or
Should We Be Selling?**

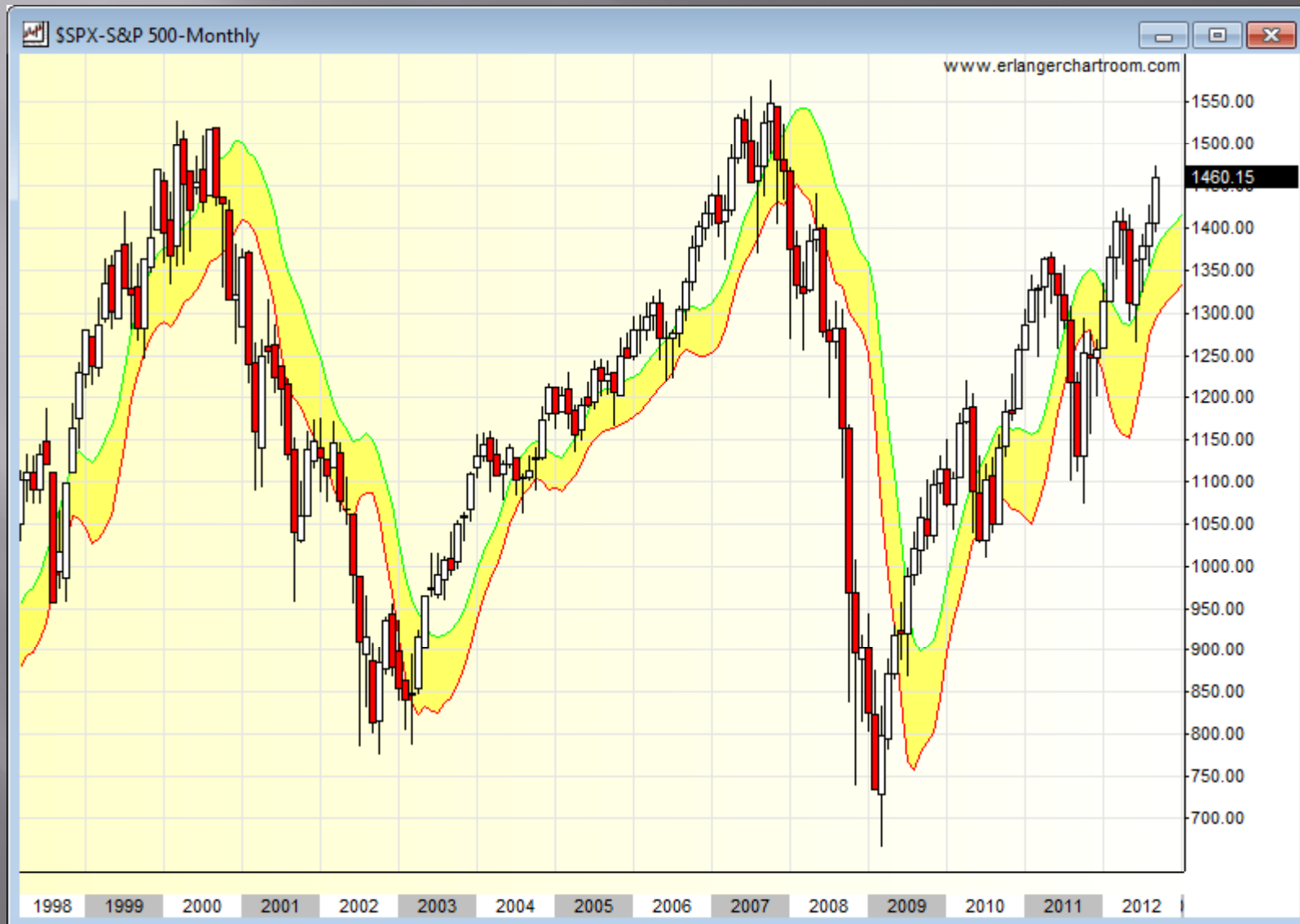
Use Setups and Triggers to Trade with the Bias

All About RISK

Big Picture Bias



Big Picture Bias



Big Picture Bias

Moving with the Monthly DMA Channel

S&P 500 since 2000

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Direction	Start Date	S&P 500	End Date	S&P 500	% change	# of months
UP	Jan-2000	1394.46	Nov-2000	1314.95	-5.70%	9
DOWN	Nov-2000	1314.95	May-2003	963.80	36.43%	30
UP	May-2003	963.80	Jan-2008	1374.30	42.59%	56
DOWN	Jan-2008	1374.30	Jul-2009	987.48	39.17%	18
UP	Jul-2009	987.48	Jun-2010	1030.71	4.38%	10
DOWN	Jun-2010	1030.71	Oct-2010	1183.26	-12.89%	3
UP	Oct-2010	1183.26	Aug-2011	1218.89	3.01%	10
DOWN	Aug-2011	1218.89	Feb-2012	1365.68	-10.75%	5
UP	Feb-2012	1365.68	Sep-2012	1460.15	6.92%	7

Moving with the Monthly DMA as Bias = 103.16%

Buy & Hold = 4.71%

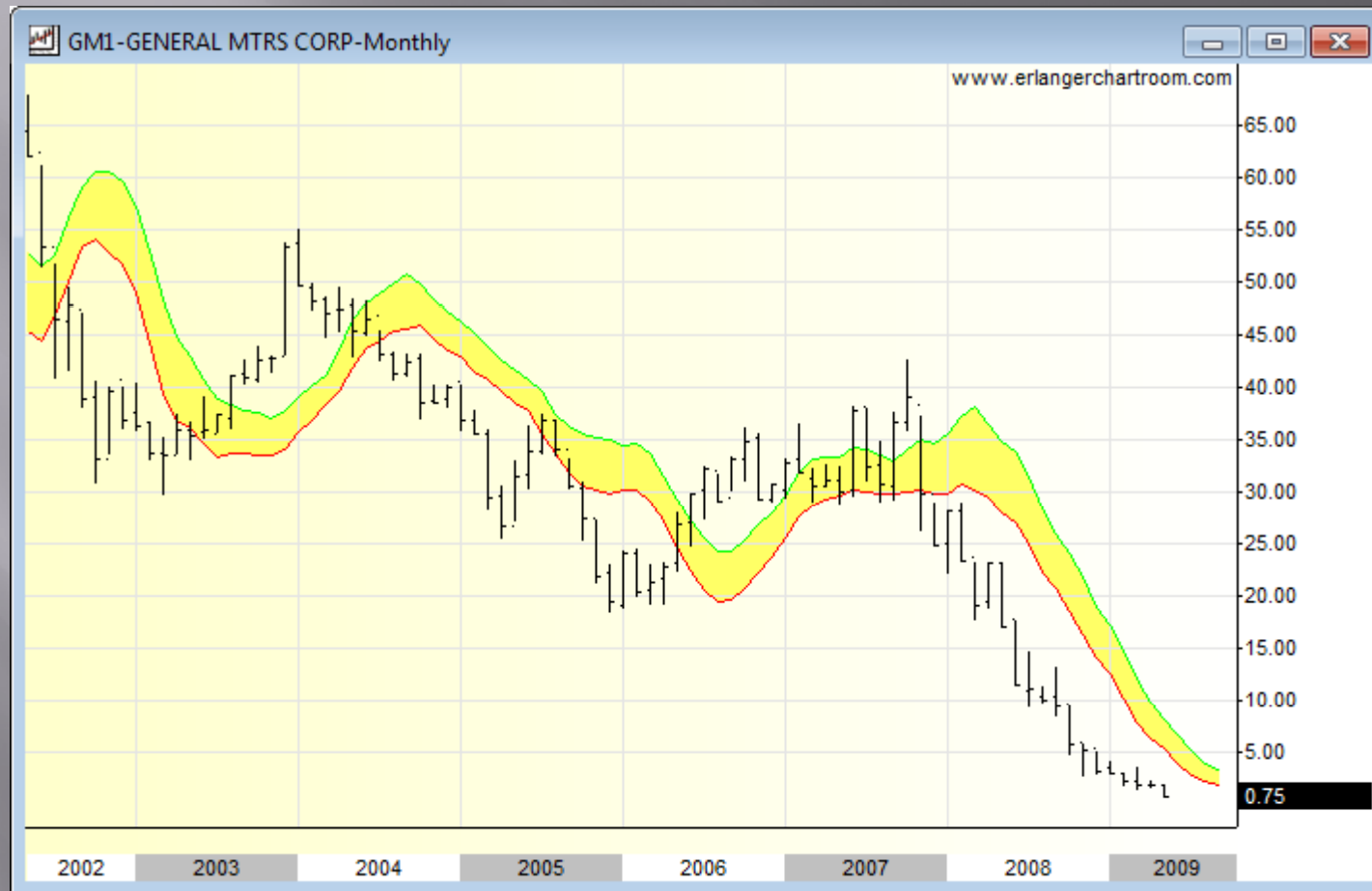
Winners = 6

Losers = 3

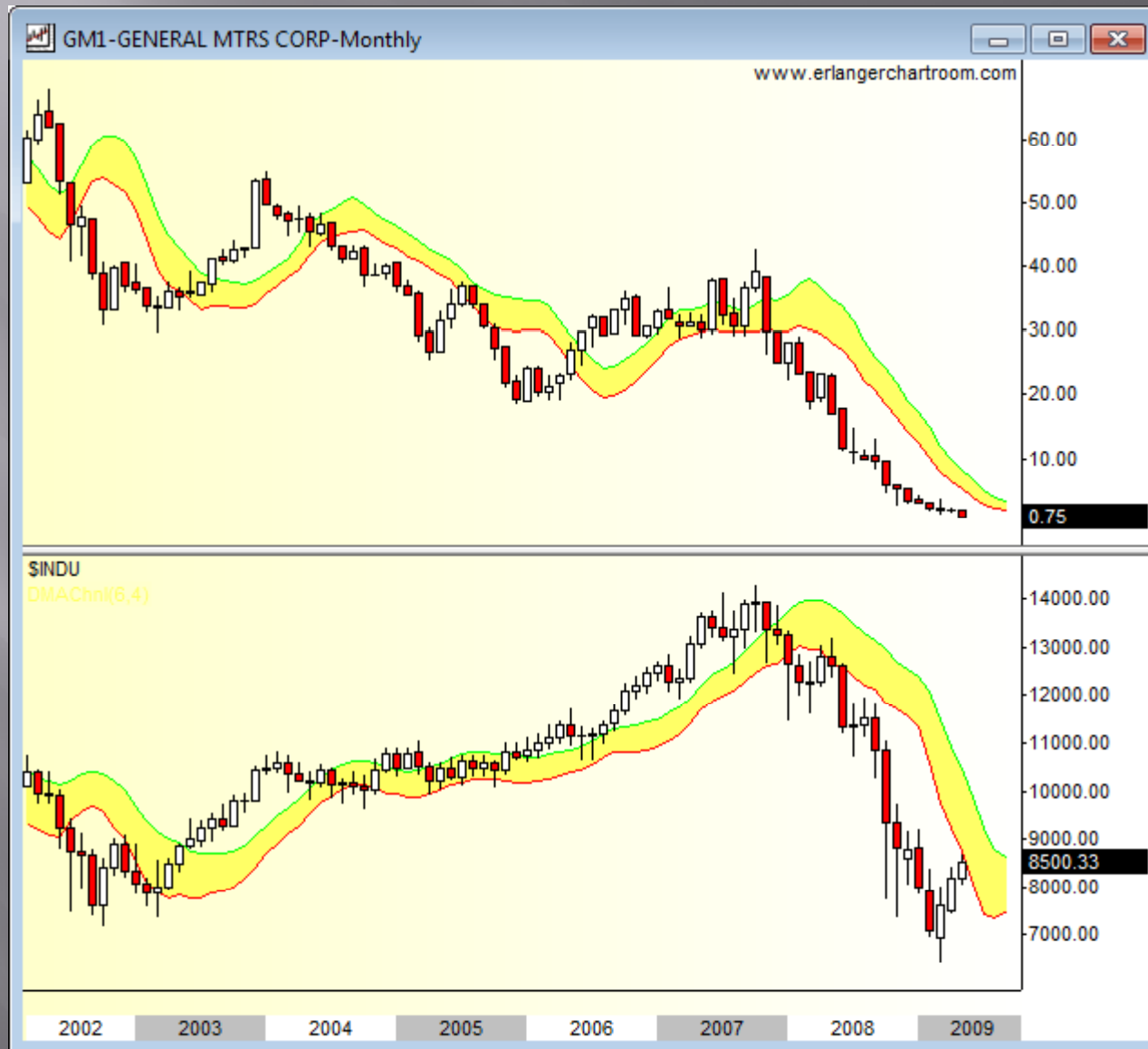
Average Winner = 22.08%

Average Loser = -9.78%

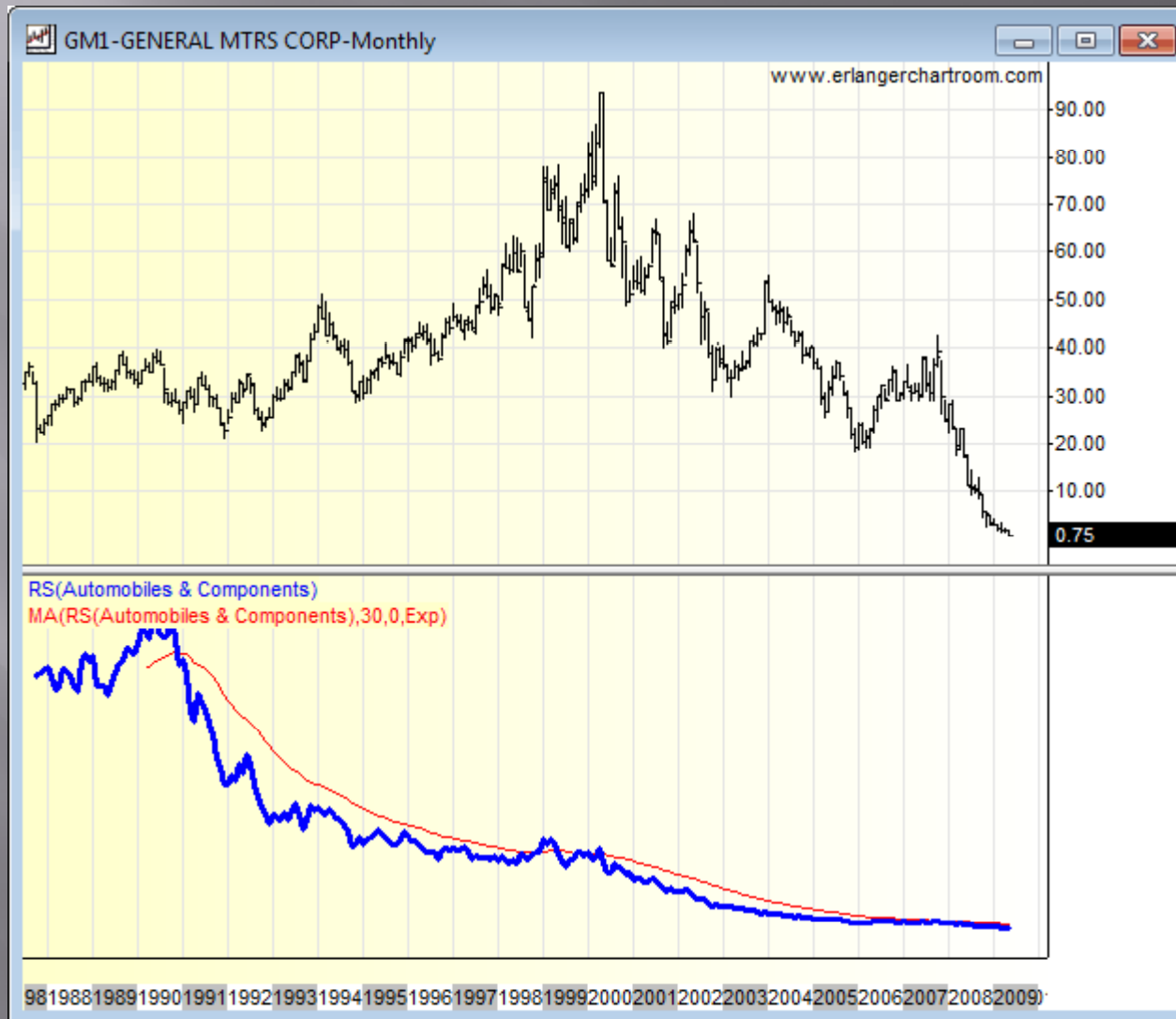
Big Picture Bias



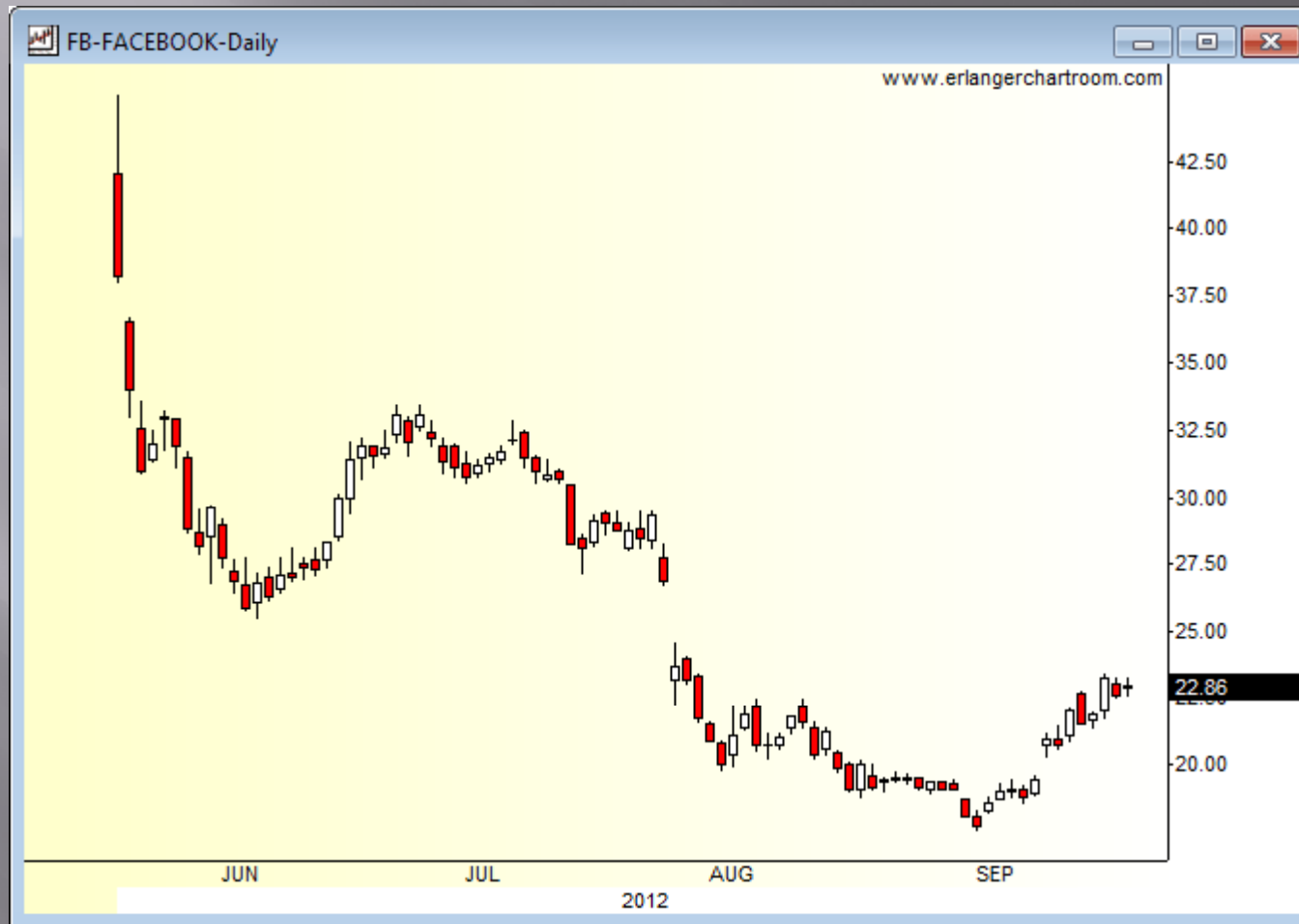
Big Picture Bias



Big Picture Bias



Big Picture Bias



Big Picture Bias



Big Picture Bias



Big Picture Bias

Moving with the Daily DMA Channel

FB - Facebook in 2012

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Direction	Start Date	FB	End Date	FB	% change	# of days
UP	Jun-2012	28.29	Jul-2012	30.77	8.77%	18
DOWN	Jul-2012	30.77	Sep-2012	19.43	58.36%	71
UP	Sep-2012	19.43	Sep-2012	22.86	17.65%	10

Moving with the Daily DMA as Bias = **84.78%**

Buy & Hold = **-45.64%**

Winners = 3

Losers = 0

Average Winner = 28.26%

Average Loser = n/a

Big Picture Bias



Big Picture Bias



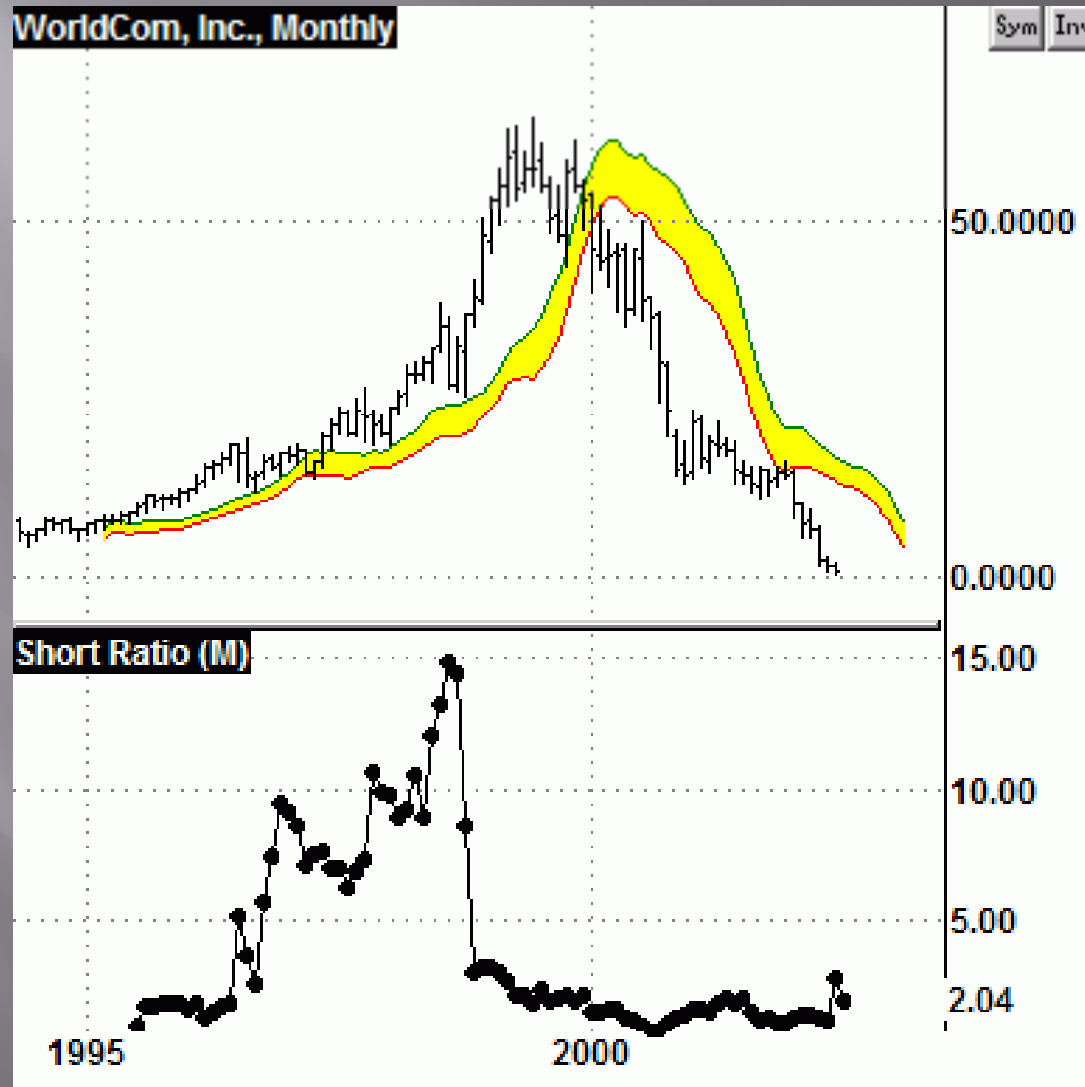
Bias - WCOM



Bias - WCOM



Bias - WCOM



Bias

Big Picture Bias - Indices

2000 – Nov.5 2010

Symbol	Moving with	Ignoring	Winners	Losers	Average	Average	Avg # of	Avg # of
	Bias	Bias			Winner	Loser	Months	Months
\$INDU	67.38%	19.67%	6	2	13.97%	-8.22%	20.67	2.50
\$SPX	107.58%	4.82%	5	2	25.24%	-9.30%	23.20	7.00
\$NDX	238.48%	2.98%	7	4	40.01%	-10.39%	16.14	4.25
\$OEX	84.92%	-17.38%	6	3	18.63%	-8.95%	18.83	5.67
\$RUT	57.47%	23.29%	4	1	17.97%	-14.40%	16.75	2.00
\$RUA	110.70%	13.47%	5	2	25.75%	-9.02%	23.60	6.00
\$RUI	110.06%	10.32%	5	2	25.84%	-9.56%	23.20	7.00
<i>Average:</i>	110.94%	8.17%	5.43	2.29	23.92%	-9.98%	20.34	4.92

Bias

Big Picture Bias - ETFs

2000 - Jan 2012

Symbol	Moving with	Ignoring			Average	Average	Avg # of	Avg # of
	Bias	Bias	Winners	Losers	Winner	Loser	Months	Months
QQQ	234.75%	-1.84%	6	5	46.34%	-8.66%	17	7
SPY	106.62%	4.05%	5	2	24.95%	-9.08%	25	7
IYR	170.06%	74.06%	3	4	66.33%	-7.23%	33	7
EWS	226.45%	136.54%	4	2	64.26%	-15.29%	30	9
VWO	138.88%	59.79%	3	0	46.29%		23	
EEM	207.21%	144.59%	3	0	69.07%		30	
IOO	87.57%	25.78%	3	3	34.69%	-5.50%	31	8
EWH	133.86%	73.82%	4	3	42.35%	-11.84%	30	6
IWF	52.55%	2.68%	6	4	14.53%	-8.65%	18	6
EFA	123.25%	80.80%	3	3	49.56%	-8.47%	28	8
FXI	118.21%	107.25%	3	2	48.25%	-13.26%	19	8
TIP	1.52%	-3.52%	2	2	1.60%	-0.84%	19	9
IWM	70.86%	71.86%	4	4	30.86%	-13.15%	24	7
GLD	63.18%	88.33%	1	1	74.97%	-11.79%	35	6
TLT	-38.88%	10.94%	3	7	2.28%	-6.53%	15	8
EWY	127.10%	190.26%	5	3	36.74%	-18.87%	21	8
SLV	38.73%	104.15%	1	4	86.88%	-12.04%	28	7

Bias



Bias



Big Picture Bias - Dow Industrials Component Issues

2000 – Nov.5 2010

Symbol	Moving with		Winners	Losers	Average		Avg # of	Avg # of
	Bias	Ignoring Bias			Winner	Loser	Months	Months
AA	74.71%	-58.16%	3	10	67.99%	-12.93%	17.33	7.20
AXP	36.32%	-38.17%	3	5	39.36%	-16.35%	20.67	10.40
BA	203.92%	101.01%	4	3	61.75%	-14.37%	23.75	6.33
BAC	219.38%	3.75%	3	3	85.37%	-12.24%	31.00	10.67
CAT	10.90%	101.78%	3	8	38.55%	-13.09%	16.67	8.00
CSCO	329.57%	-29.84%	5	2	66.87%	-2.39%	21.00	10.00
CVX	101.03%	117.82%	3	4	51.33%	-13.24%	31.67	8.25
DD	-20.11%	-46.94%	3	8	24.09%	-11.55%	16.67	8.00
DIS	63.72%	-18.05%	4	4	28.38%	-12.45%	21.50	7.00
GE	179.10%	-77.79%	5	2	39.21%	-8.48%	20.60	11.00
HD	-96.30%	-44.91%	4	11	16.84%	-14.88%	15.50	5.91
HPQ	142.10%	50.52%	4	3	43.59%	-10.76%	23.50	10.33
IBM	-136.03%	48.18%	4	11	9.50%	-15.82%	16.50	5.55
INTC	-60.25%	-76.07%	3	8	17.27%	-14.01%	15.00	10.25
JNJ	-62.94%	38.21%	3	9	6.68%	-9.22%	13.00	9.44
JPM	103.51%	-5.24%	5	1	22.61%	-9.54%	22.60	8.00
KFT	13.57%	-12.17%	3	1	4.95%	-1.27%	16.67	18.00
KO	-66.55%	11.15%	4	9	6.41%	-10.25%	15.00	7.56
MCD	66.97%	75.45%	4	3	29.71%	-17.29%	26.00	4.67
MMM	-77.05%	60.30%	3	10	12.33%	-11.41%	17.67	5.80
MRK	33.09%	-52.85%	4	4	31.72%	-23.45%	22.00	6.75
MSFT	-84.50%	-41.20%	4	9	7.17%	-12.58%	14.75	7.22
PFE	32.38%	-60.67%	3	5	27.89%	-10.26%	25.33	9.40
PG	-40.82%	28.69%	6	9	8.91%	-10.48%	13.17	5.33
T	57.28%	-16.64%	3	6	42.45%	-11.68%	26.67	8.00
TRV	-23.69%	114.44%	4	7	15.93%	-12.49%	17.00	8.57
UTX	77.37%	151.27%	3	6	51.92%	-13.06%	29.00	7.00
VZ	36.64%	-29.51%	4	3	16.92%	-10.35%	26.75	6.67
WMT	-114.96%	-4.63%	1	12	9.53%	-10.37%	24.00	8.42
XOM	30.65%	59.92%	3	6	28.10%	-8.94%	24.67	7.00
<i>Average:</i>	34.30%	11.66%	3.60	6.07	30.44%	-11.84%	20.85	8.22

Beta	Symbol	Moving with Bias Less Ignoring Bias (monthly "Big B")
1.25	CSCO	359.41%
1.69	GE	256.89%
2.31	BAC	215.63%
2.12	AA	132.87%
1.12	JPM	108.75%
1.32	BA	102.91%
0.66	PFE	93.05%
1.02	HPQ	91.58%
0.64	MRK	85.94%
1.18	DIS	81.77%
2.08	AXP	74.49%
0.62	T	73.92%
0.61	VZ	66.15%
1.46	DD	26.83%
0.55	KFT	25.74%
1.15	INTC	15.82%
0.47	MCD	-8.48%
0.7	CVX	-16.79%
0.41	XOM	-29.27%
1.01	MSFT	-43.30%
0.79	HD	-51.39%
0.48	PG	-69.51%
1.05	UTX	-73.90%
0.58	KO	-77.70%
1.85	CAT	-90.88%
0.6	JNJ	-101.15%
0.35	WMT	-110.33%
0.84	MMM	-137.35%
0.59	TRV	-138.13%
0.71	IBM	-184.21%

1.23625 = Avg. Beta of Bias Performers
0.745 = Average Beta of Bias Non-Performer

Big Picture Bias - Dow Industrials Component Issues with Beta of 1 or Higher

2000 – Nov.5 2010

Symbol	Moving with	Ignoring	Winners	Losers	Average	Average	Avg # of	Avg # of	Beta
	Bias	Bias			Winner	Loser	Months	Months	
BAC	219.38%	3.75%	3	3	85.37%	-12.24%	31.00	10.67	2.31
AA	74.71%	-58.16%	3	10	67.99%	-12.93%	17.33	7.20	2.12
AXP	36.32%	-38.17%	3	5	39.36%	-16.35%	20.67	10.40	2.08
CAT	10.90%	101.78%	3	8	38.55%	-13.09%	16.67	8.00	1.85
GE	179.10%	-77.79%	5	2	39.21%	-8.48%	20.60	11.00	1.69
DD	-20.11%	-46.94%	3	8	24.09%	-11.55%	16.67	8.00	1.46
BA	203.92%	101.01%	4	3	61.75%	-14.37%	23.75	6.33	1.32
CSCO	329.57%	-29.84%	5	2	66.87%	-2.39%	21.00	10.00	1.25
DIS	63.72%	-18.05%	4	4	28.38%	-12.45%	21.50	7.00	1.18
INTC	-60.25%	-76.07%	3	8	17.27%	-14.01%	15.00	10.25	1.15
JPM	103.51%	-5.24%	5	1	22.61%	-9.54%	22.60	8.00	1.12
UTX	77.37%	151.27%	3	6	51.92%	-13.06%	29.00	7.00	1.05
HPQ	142.10%	50.52%	4	3	43.59%	-10.76%	23.50	10.33	1.02
MSFT	-84.50%	-41.20%	4	9	7.17%	-12.58%	14.75	7.22	1.01
<i>Average:</i>	91.12%	1.21%	3.71	5.14	42.44%	-11.70%	21.00	8.67	

Big Picture Bias

Big Picture Bias - Dow Industrials Component Issues

Jan 1, 2000 – Nov 5, 2010

	Moving with Bias	Ignoring Bias	Winners	Losers	Average Winner	Average Loser	Avg # of Months Winners	Avg # of Months Losers	Moving with Bias Less Ignoring Bias (monthly "Big B")
Beta =>1 Dow Stocks:	91.12%	1.21%	3.71	5.14	42.44%	-11.70%	21.00	8.67	90%
All Dow Stocks:	34.30%	11.66%	3.60	6.07	30.44%	-11.84%	20.85	8.22	23%

Setups

Indicate a Potential Change in Trend

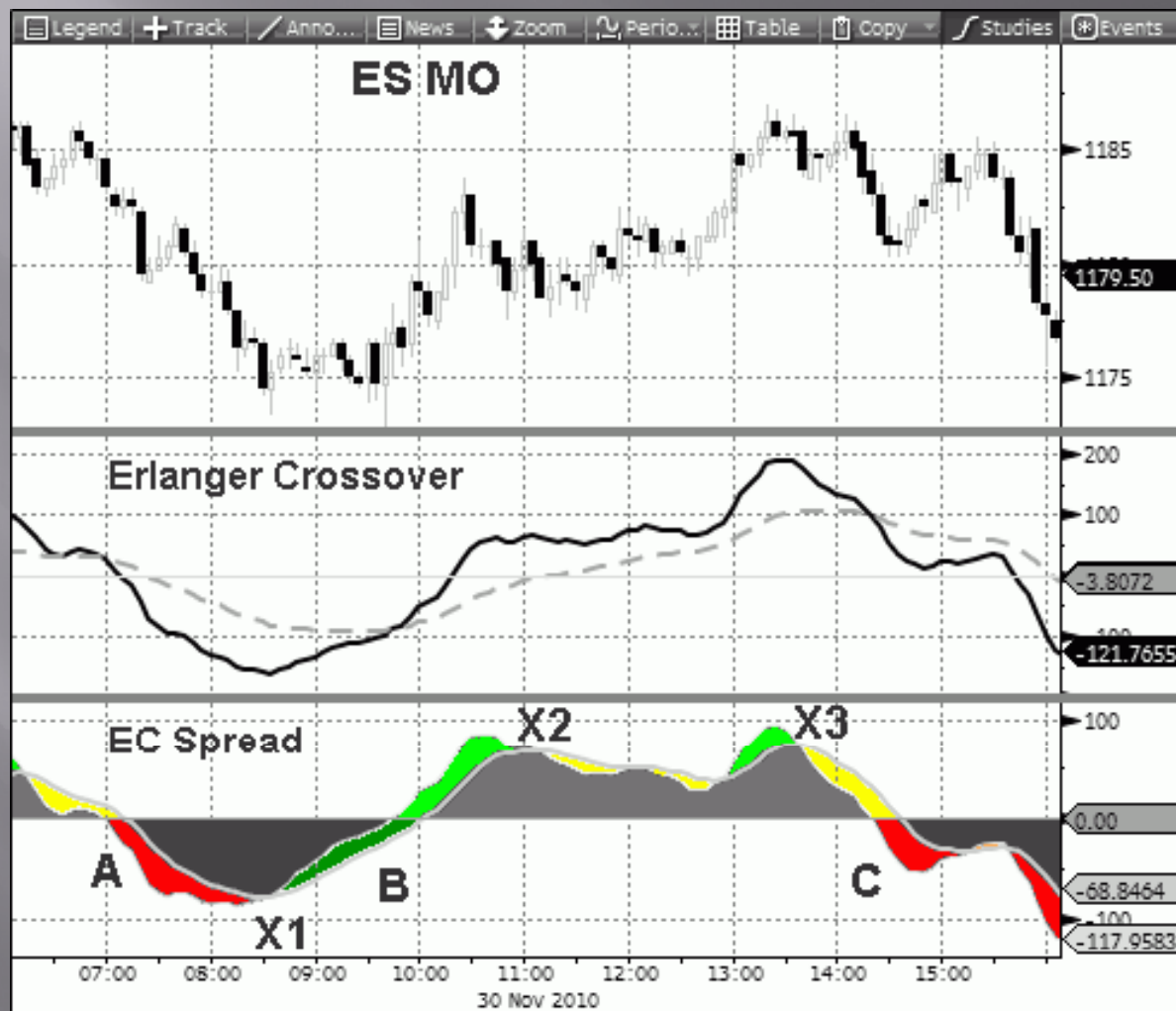
**Find Moments that often Precede
a Change in Trend**

**Use Triggers to Make a Trade
Following a Setup**

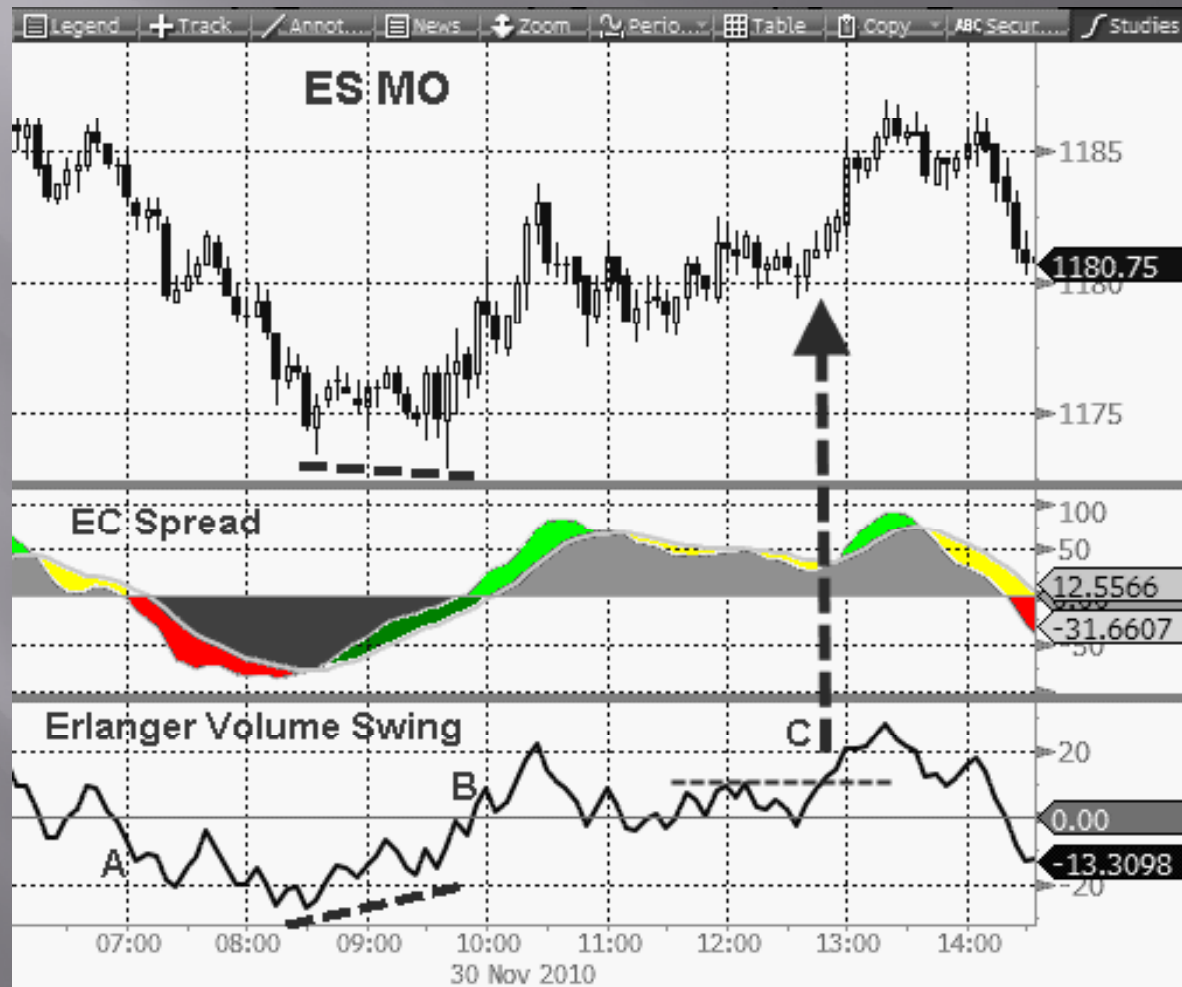
Setups



Setups



Setups



Setups



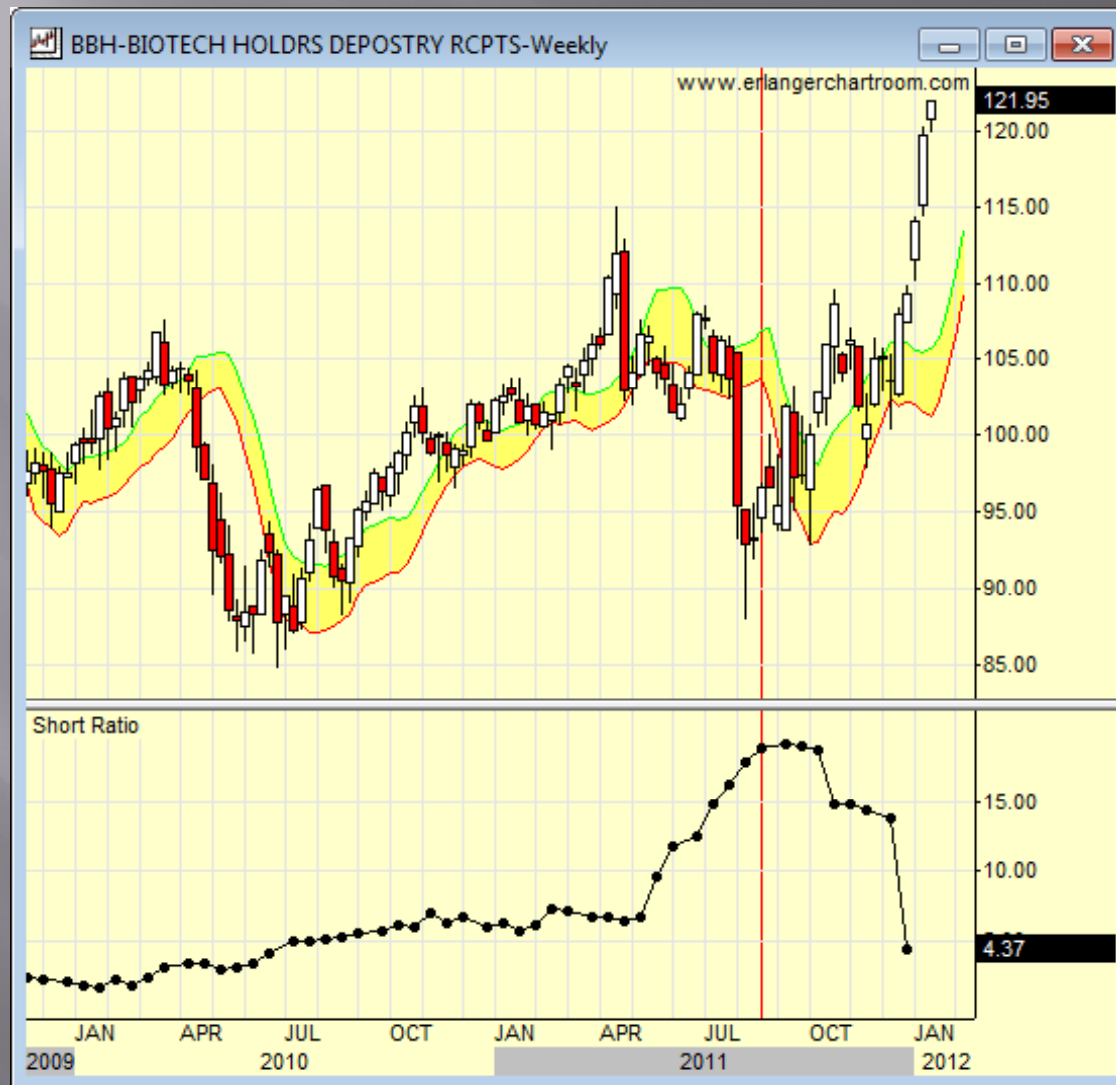
Setups



Setups



Setups



Triggers

Used to Enter a Trade

Entry Points Following Setup Indications

Triggers Used in Line with the Bias

Triggers



Triggers



Triggers



Bias or Trigger?



Bias or Trigger?



Bias or Trigger?



Bias or Trigger?



Bias or Trigger?



Bias or Trigger?



Bias or Trigger?



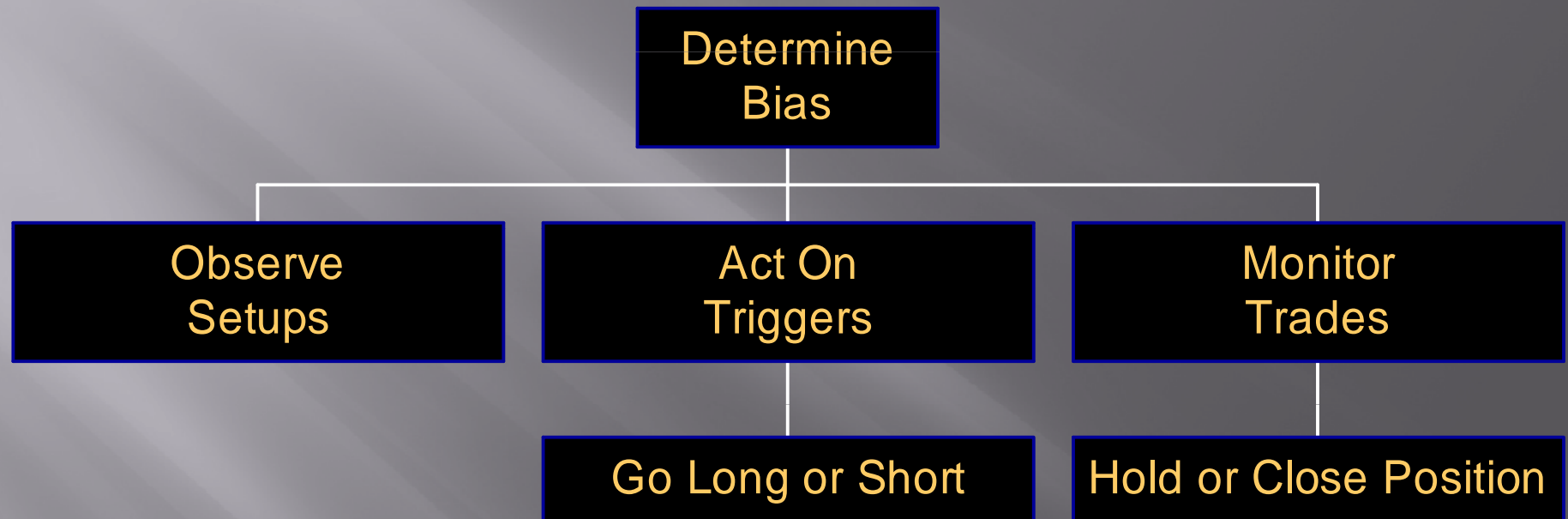
Setup or Trigger?



Setup or Trigger?



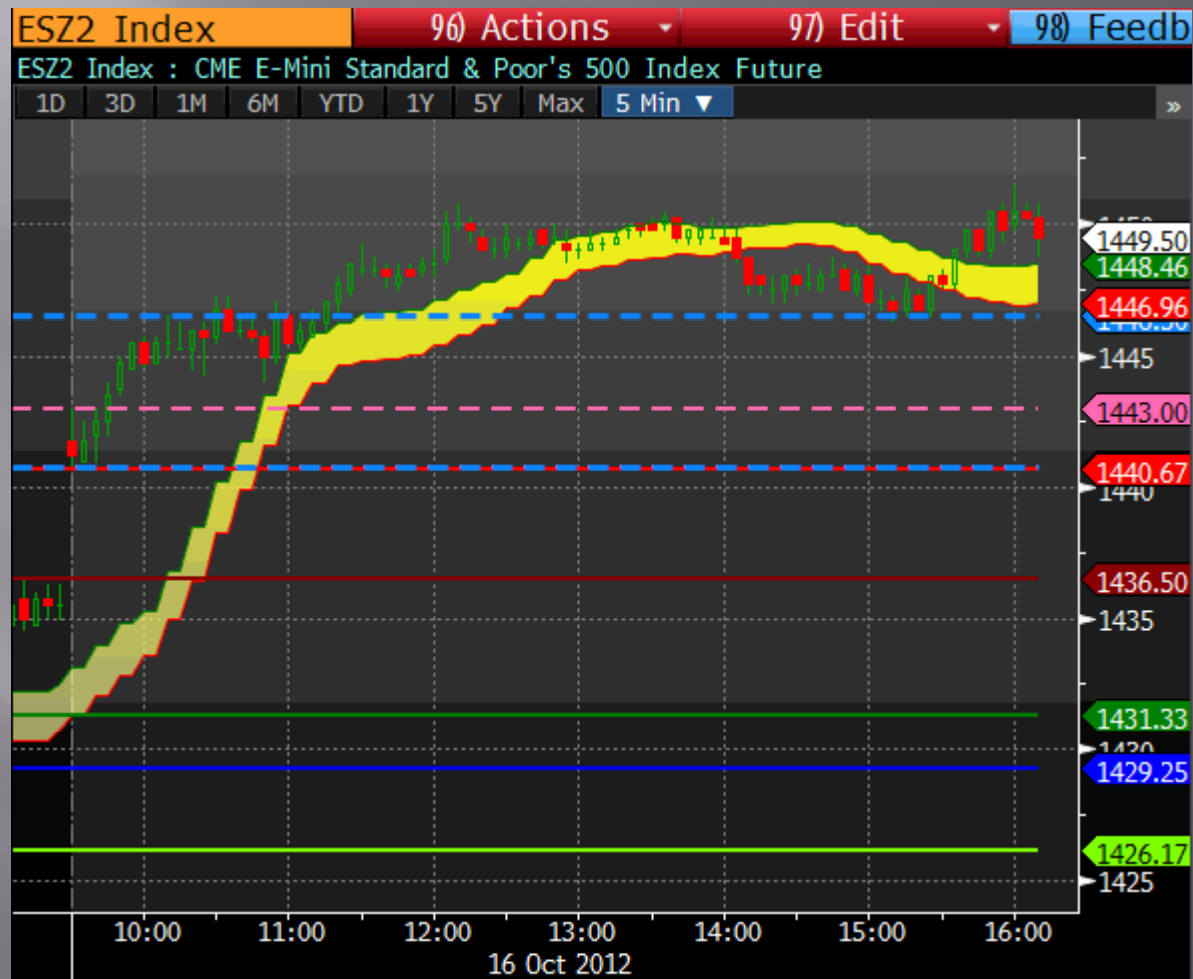
Applying Investment Research



Intraday Trading Bias



Intraday Trading Bias



Intraday Trading Bias



Intraday Trading Bias



Intraday Trading Bias



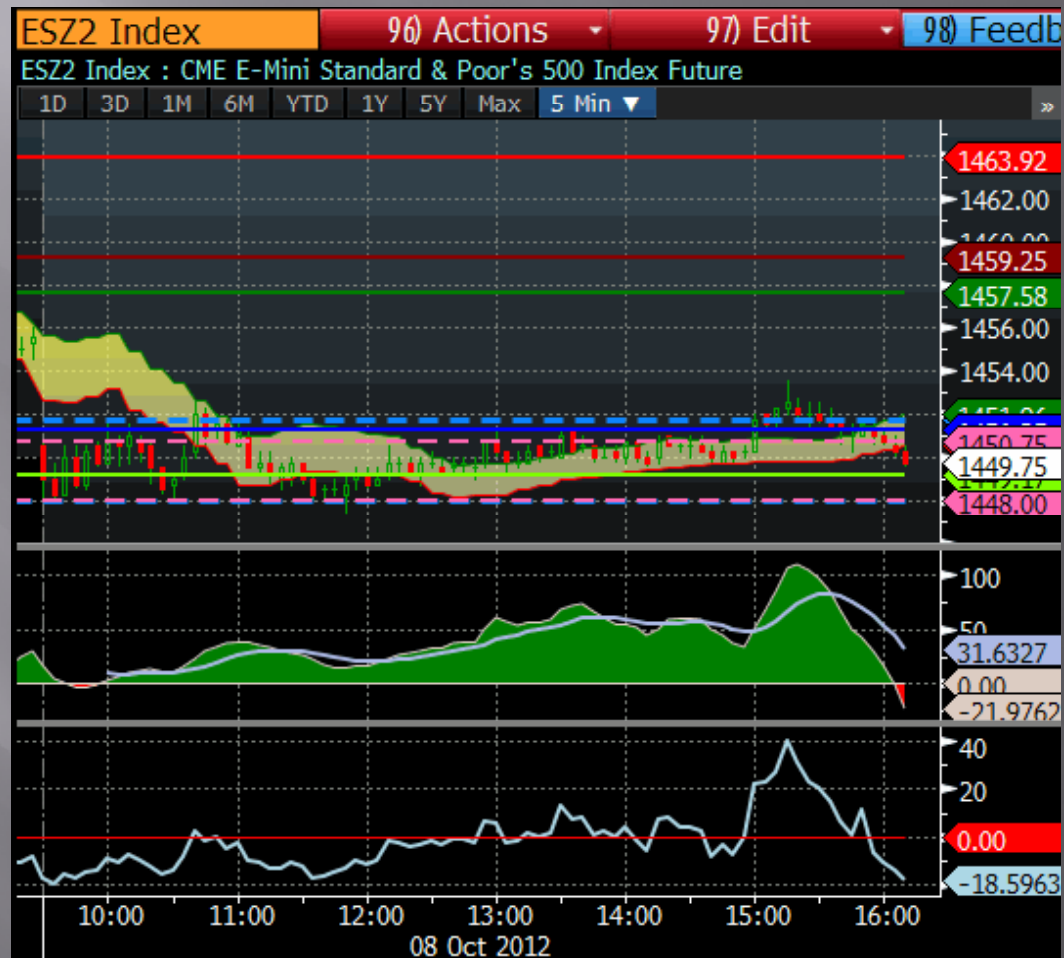
Intraday Trading Bias



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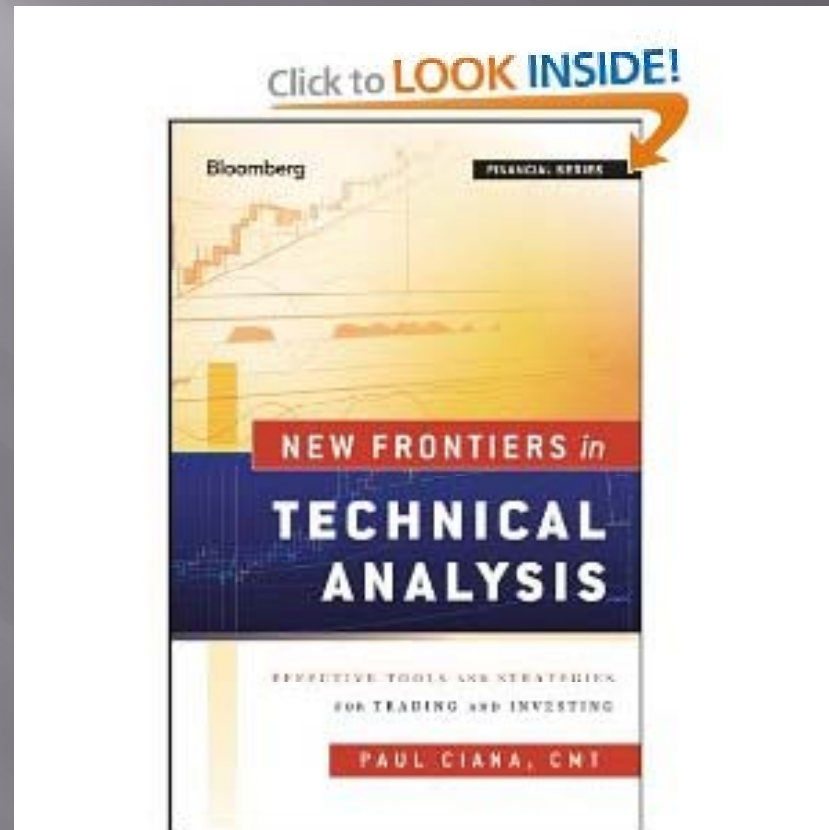


Intraday Trading Bias



Intraday Trading Bias







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