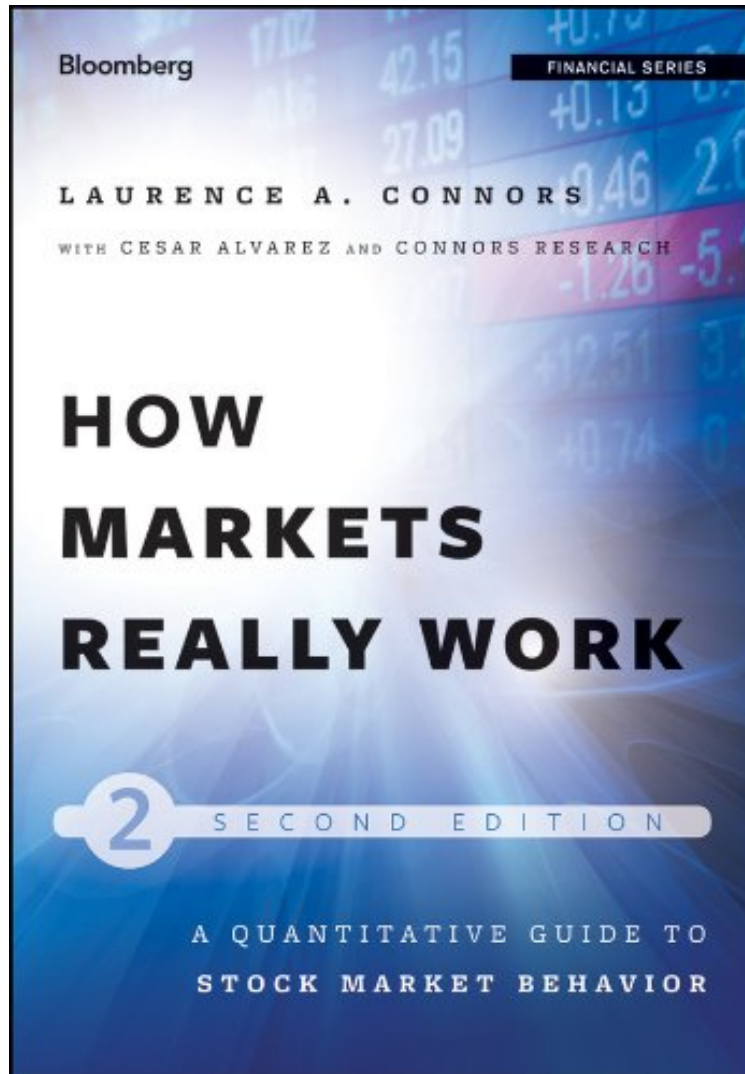


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How Markets Really Work: Quantitative Guide to Stock Market Behavior (Bloomberg Financial)

Larry Connors

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Larry Connors : How Markets Really Work: Quantitative Guide to Stock Market Behavior (Bloomberg Financial) before purchasing it in order to gauge whether or not it would be worth my time, and all praised How Markets Really Work: Quantitative Guide to Stock Market Behavior (Bloomberg Financial):

2 of 2 people found the following review helpful. Useful information, but super short By R. Chow The advice (which makes sense, if I ever get around to putting this to practice) could be boiled down to a page or so of bullets. If you want to play the markets w/ indices, this is still worth the price of admission. 11 of 13 people found the following review helpful. Quite a bit of repeated content from their other books By Ripping Yarns I've read several titles by Larry

Connors and Cesar Alvarez, including "Short Term Trading Strategies that Work" and "High Probability ETF Trading". This book repeats their back-testing technique establishing counter-intuitive truths about the market. The trouble is that some of these are repeated in their other books. The "new" ones here concern volume, large moves, 52-week highs and lows, put/call ratios and historical volatility. Their core techniques, notably the basics of short term Highs and Lows, using the two-day RSI to flag opportunities and trading the VIX, are available in almost all their other works. The layout of information in this book is generous: I read the entire thing in a single sitting, even though I read carefully, marking the good stuff with a highlighter -- a first for any of my 60 or so investment books. Brevity and clarity are good things... if there are fresh insights. But, if you understand the point in the highlighted text, you can skip the explanations, charts and tables backing them up. The nuggets in this book could have been parlayed in twenty pages. Is the information in "How Markets Really Work" useful for trading? Yes. Is there new stuff worth the price of the book? Hmm, not so much for those who have read other titles by Connors and Alvarez. I preferred the other two titles cited above because there was more practical application of their ideas, including entry and exit techniques. I receive e-mails from their company, Trading Markets, offering new publications. Since their back-testing methodology is attractive, I'm tempted to spend the \$40 or \$100 to see their new titles. But I've held off because I can't be confident that there's enough new content to justify the purchase. If you've never read anything by Connors and Alvarez before, this book could be a valuable intro to their methodologies. If you have read other titles, maybe there's not enough new in this one to justify the purchase. 18 of 20 people found the following review helpful. Contrarian argument By Andrew Kasch This book is a quick argument for short-term contrarian trading in the stock market, backed by a zillion pages of data (that nobody is going to do more than flip through and glance at a page here and there). It does make a good argument, however. To follow the conclusion in your own trading you will be buying after the market sells off and selling after it rallies. I actually developed and published a simple system based on these principles using Bollinger Bands and betting on reversals when price hits the outer band and stalls the next day (without bursting through it). It works well most of the time, especially in non-trending markets. The problem with the book is its failure to follow through with any suggestions for rule-based systems based on its conclusion. OK, bet on reversals - when do you place a trade? While the market is still moving or after it stalls? How much of a move does it need to be before entering a position? Is it applicable to all time frames? When do you take profits? Markets move and then correct in waves 95% of the time. Marcel Link concludes in his excellent book "High Probability Trading" that betting on the smaller-wave corrections just isn't worth it in the long run and you are better off betting on waves in the direction of the bigger trend. I tend to agree. This book is way, way, waaayyyy overpriced for what it is. That being said, it is the best 1-star book I have read. For me, books are either a 1 star, 3 star, or 5 star. The 5-stars are the classics that are too good to ever remove from your bookshelf, like many of the books I recommend at winningfinancialstrategies.com. The 3-stars get sold on ebay when the bookshelf overflows. The 1-stars go to Salvation Army.

For years, traders and investors have been using unproven assumptions about popular patterns such as breakouts, momentum, new highs, new lows, market breadth, put/call ratios and more without knowing if there is a statistical edge. Common wisdom holds that the stock markets are ever changing. But, as it turns out, common wisdom can be wrong. Offering a comprehensive look back at the way the markets have acted over the last two decades, *How Markets Really Work: A Quantitative Guide to Stock Market Behavior, Second Edition* shows that nothing has changed, that the markets behave the same way today as they have in years past, and that understanding this puts you in a prime position to profit. Written by two top financial experts and filled with charts and graphs that illustrate the market concepts they develop, the book takes a sometimes contrarian view of everything from market edges to historical volatility, and from volume to put/call ratio, giving you all that you need to truly understand how the markets function. Fully revised and updated, *How Markets Really Work, Second Edition* takes a level-headed, data-driven look at the markets to show how they function and how you can apply that information intelligently when making investment decisions.