

WHERE WILL EQUITY  
MARKETS BE ONE  
MONTH FROM NOW?



DOMINIC  
PICARDA



SANDY  
JADEJA



ALPESH  
PATEL



# ShareScoop

MARCH 2011

The latest news and tips from ShareScope



## FANTASTIC NEW FEATURES

We've got some really great new features on the horizon. Firstly, I'm

delighted to announce that we will be adding fundamentals for US companies. Furthermore, US fundamentals and end of day pricing will be added to ShareScope Gold. This will include five years historical results. This data will be integrated with data mining and the Alpesh Patel Special Edition. Another item that we have been keen to add to our broker forecast data in Plus and Pro is the broker's price target. We now have this data and will be implementing it soon. We have also added a range of economic data including interest rates, consumer price inflation with forecasts and GDP for the UK, US, Europe, Japan and China.

## FTSE OPEN PRICES

Guidance from FTSE is that its major indices open at the previous day's closing price. We think it is more useful to use the first new price received after market open and have adopted this policy. Most other providers seem to be using the previous day's close. If there is enough demand, we will provide an option to select the previous close as the open. If you would like this, email us at [feedback@sharescope.co.uk](mailto:feedback@sharescope.co.uk).

You will be able to graph all of these data series against stock market indices, sectors or individual instruments. All customers will receive this data. We'll tell you more about these new features nearer their respective release dates.

MARTIN STAMP, MD

## VIEW FROM THE TOP

ALPESH PATEL



I'm expecting the major developed markets to take a breather for the next month and perhaps end the period down. In my view, it's the unrest in Libya and Bahrain that is leading to investor caution. The oil price is a distraction.

I expect developed markets to be the major play this year as emerging markets have become expensive and are having to cope with soaring inflation. Indeed, Brazil, China and India have plunged 10% or more since the beginning of the year as investors have diverted their funds to the west. In the longer term I expect India in particular to double within three years so if you take a longer term view there is no need to sell your holdings.

At the beginning of the year, I forecast 15% growth for the US indices and we've had almost half of that already. Any correction now would be a good buying opportunity. I would favour the solid, internationally-diverse, dividend-paying stocks of the Dow Jones Industrial Average over the S&P 500.



## PHIL'S HIDDEN GEMS

PHIL TOLHURST, SUPPORT

Position the mouse cursor on the far right of the Graph view and press the right arrow key to scroll the timescale into the future one day at a time (i.e. display more of the future and less of the past). This can be used to practise trading using a particular strategy: zoom into a random time period in the past and then scroll forwards day by day to practise entry, exit and stop losses. Similarly, if you position the cursor on the left hand side of the Graph view, you can press the left arrow key to scroll backwards through the price history one day at a time.

To expand the range on the Vertical (Y) axis, press the up arrow key. To decrease the range, press the down arrow key.

To scroll up the price range, hold down the Shift key and press the down arrow. To scroll down the price range, hold down the Shift key and press the up arrow.

Position the mouse cursor in the top right hand corner of the Graph view: it will change to a horizontal arrow. Click to display the next chart in the list. This is the same as pressing the space bar. You can do the same in the top left corner of the Graph view to display the previous chart in the list.



SUPPORT: Gold & Plus 020 7749 8504 / 0845 045 0111 Pro 020 7749 8503 / 0845 456 0545

The 0845 numbers should be cheaper if you are calling from outside London on a landline.

# GM's COLUMN



Last week we co-hosted a seminar for professional clients with Investment Research of Cambridge. The presentation covered technical analysis of global markets. IRC's Richard Marshall, a ShareScope user, ran through a large number of FTSE 100 companies using just the Relative Strength indicator (see chart below) and it struck me that many customers might be interested to use it alongside other momentum indicators such as MACD and RSI. The Relative Strength indicator compares the price performance of the instrument with that of a selected benchmark. The

resultant graph shows the percentage outperformance or underperformance of the instrument since the start date of the graph time period. Look at the chart of *GlaxoSmithKline* below. You can see that the share price has been in a trading range for nearly two years – between £11 and £13.40 – but the relative strength graph indicates that the share has been steadily underperforming the FTSE All-Share (in this example). To add this indicator, right-click in the Graph view, select **Add Indicator** and then **Price Relative to...** When adding it, ShareScope will ask you to select what you want to compare the current instrument with. For the example below, you might have chosen the FTSE 100 instead of the All-Share. Please note that this is purely an illustration; you should not treat this column as investment advice.

## THE IMPORTANCE OF BEING BACKED UP

You may have noticed that we recently introduced a Backup reminder in ShareScope. We would advise all customers to take regular backups of their ShareScope data – ideally onto a memory stick or other external media

All the customisations you have made – window layouts, list, graph and details settings, portfolios, data mining filters, toolbars and imported data – will be saved. This means that if you have a hard disk crash or a virus problem, you can simply restore your settings to a new installation of ShareScope. The **Backup** and **Restore** options can be found on ShareScope's File menu.



## RICH'S SCRIPTS

RICHARD CHIESA, SUPPORT

I've written a ShareScript which I think the stock-pickers amongst you are going to find extremely useful. It is designed for use as a data mining criterion. Let's say you want to find companies that have consistently grown their dividends over the last seven years. Currently you can do this by adding seven criteria each specifying dividend growth over one of the previous seven years. This script enables you to do this with one criterion. But

this isn't all. You may want to grant your companies the odd lapse in performance so this script enables you to specify, for example, dividend growth in five or six of the last seven years. Currently, the only way to do this is to visually compare companies in a table.

Most of ShareScope's fundamental criteria can be selected using this script. You can also screen for annual decreases in each metric.

When filtering for positive results (e.g. EPS growth in four of the last five years), the script ignores negative values so as not to give a false impression. That is, if EPS is negative one year (e.g. -10) and less negative the next year (e.g. -5) this will not be treated as an increase.

To use the script in a data mining filter, click on **Add Criterion**, then select **ShareScript** in the data mining wizard and click on OK. Then click on **Select ShareScript file....** A list of scripts installed in your ShareScope folders will be displayed. Click on **Script Library**. From here, find the script called **Fundamental Performance** and then click on **Download & Install**. The script should now appear in the list of scripts. Again, find the **Fundamental Performance** script and click on **OK**. Click **Finish** in the data mining wizard and a setup dialog will be displayed in which you can configure the criterion.

Hint: to filter for ANY increase in the chosen metric, set the % value to 0.01.