ShareScoop

MAY 2011

The latest news and tips from ShareScope

PHIL'S HIDDEN GEMS

PHIL TOLHURST, SUPPORT

For each data mining filter, a dynamic portfolio is created (a portfolio in which the constituents can change). You can assign portfolio toolbar buttons to these dynamic portfolios just as you can normal portfolios. This enables you to check the results of a filter with a single click of the mouse – rather than via the data mining view. For more details about customising your toolbars have a look at Tutorial 11 at www.sharescope.co.uk/trainingzone.

In the Directors' Dealings view, right-click to display the context menu and click on **Select display** to change the information displayed. It enables you to include Directors' dealings, Directors' Holdings, Major Shareholders' dealings and Major Shareholders' holdings. Right-click in the column headings in this view to see the range of columns you can add.

There are thousands of configurable options in ShareScope, not all of which are available through the various context menus. Many of these options will be of little interest to you but you can review them via the **Options** item on the **Tools** menu. This will display a dialog box with numerous tabs relating to different aspects of ShareScope (e.g. Lists, Graphs, Portfolios & Transactions).

MELISSA'S TOP TIPS
PORTFOLIO MANAGEMENT

The grey status bar at the top of the Portfolio view has two modes. The default mode, designed for watchlists, gives total and average values for the price and capitalisation of the shares in the portfolio. The other mode is for investment portfolios and gives the value of the portfolio, the change in value, profit, realised profit and currency. To use this mode, right-click in the Portfolio and select **Investment Portfolio**.

You can choose to include the value of an attached cash account in a portfolio's valuation. Go to the **Tools** menu and select **Options**. Click on the **Portfolios & Transactions** tab and select **Include attached cash balance(s) in portfolio valuation**.

You can review the diversification of a UK stock portfolio by using **Company/Sector Analysis** on the **Portfolio** context menu. This will enable you to see a breakdown of a portfolio by sector, market capitalisation or holding size.

If you have or are likely to create a large number of portfolios or watchlists, you may like to organise these portfolios into folders. To organise, rename, delete or copy any portfolios, select **Portfolio management** from the Portfolio context menu. To create a new folder, select a portfolio and click on the **Move to folder** button. Then click on the **New folder** button and give the folder a name. The new folder will appear at the top of the list of portfolios.

VIEW FROM THE TOP

ALPESH PATEL

I'm calling the developed markets lower over the next month as I think they'll take another breather. I'm still calling the S&P 500 up 15% for the year though. The PE for the US market is attractive and the weakening dollar will help exporters.

Gold continues to reward investors - breaching the $1500 level recently. There are a lot of factors pushing gold higher and I expect them to continue: the dollar will depreciate as the Fed keeps rates low whilst other central banks around the World increase rates to combat inflation; the Chinese are buying gold to hedge their US debt holdings; the unrest in Libya and elsewhere; the commodity boom; and inflows to Gold ETFs (ETFS Physical Gold is the second highest traded ETF in London this year).

For all these reasons, hold on to Gold. But a word of advice: there will be short term dips in Gold along the ways as investors take profits. They will represent buying opportunities if you want to top up your holdings but I wouldn't bother trying to trade these dips unless you have the time to watch them closely and have a good record of market timing.

If you are a subscriber to the Alpesh Patel Special Edition, you'll get more on these topics in my monthly newsletter.

GM's Column

In this issue's column I wanted to highlight several ways in which I find charts useful in managing my investments. On a daily basis I only need to glance at the chart for each of my investments because of the vast amount of information that ShareScope lets me pack onto the screen. On the accompanying chart, you can see:

• **B** flags at two points on the price line on the dates that I purchased shares. Hovering the mouse over either of these flags will remind me how many shares I bought and at what price. This saves me from having to refer to my portfolio.

• The **R** (Results) and **X** (Ex-dividend date) flags along the x axis. These alert me in advance to these important dates. Useful warnings as well when considering new investments. Again, hovering the mouse over these flags will reveal more information (such as the value of the dividend).

• The **b** flags along the top of the chart indicate, in this case, Director or major shareholder purchases of shares. Sells can also be displayed.

22 Graph - Portfolio: SIPP - All sectors - 12 Months Line Chart

Pence   Pace PLC   Ord

Broker Price Target

155.35

▼0.29%

Portfolio purchase
Date: Fri 28/5/10
Portfolio: SIPP
Number of shares: 1257
Total cost: £2014.84
Deal price: £1.591
Cost/share: £1.6029
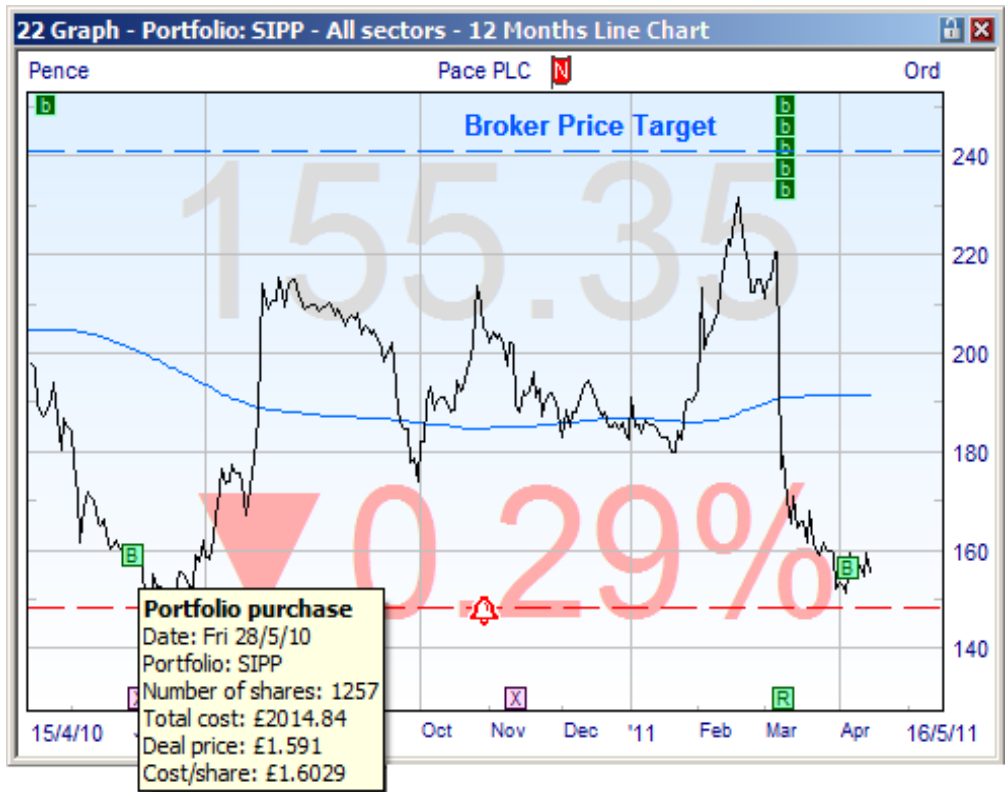
• The **N** flag next to the Company name at the top of the graph indicates unread news stories for this share. Hovering the mouse over this flag will reveal the unread headlines. Double-clicking on the flag will open the most recent story and allow you to scroll back through any other unread stories.

The red dashed line I have drawn at recent support and placed an alarm on the line. If the price dropped below this line, I would want to review my position and setting an alarm ensures that I don't miss the event. To set an alarm on a line simply right-click on the line and select **Set alarm on line**.

The blue dashed line I have drawn at a broker's price target taken from a news story and added the note by using a text box.

All these features are available in ShareScope Gold as well as Plus and Pro.

Double-check the spread!

This tip will apply to ShareScope Plus and Pro users only. Like me, you may have often identified a share or ETF to invest in but then been dismayed at the wide sp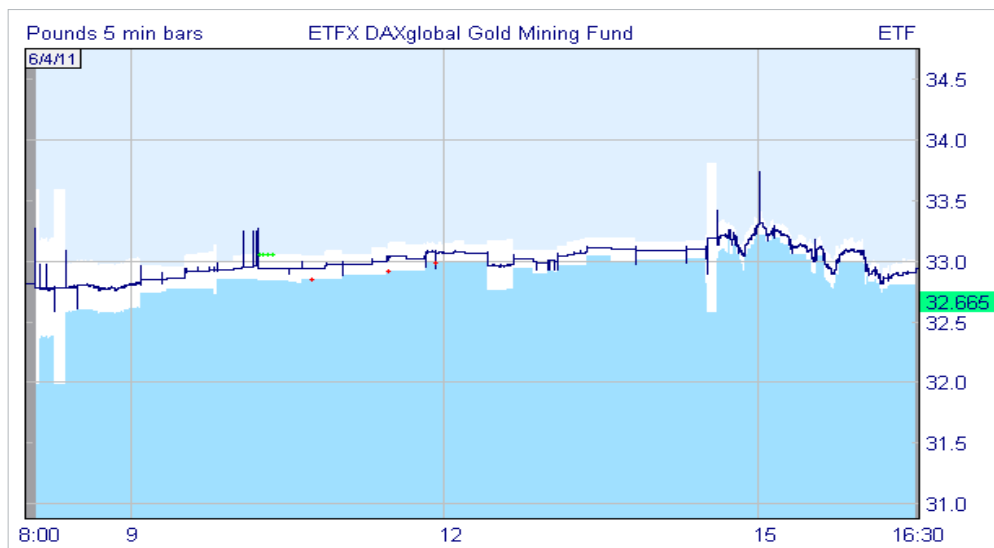read (the difference between the bid and the offer price). This is particularly so when buying or selling less liquid instruments such as small cap shares or ETFs. With some instruments, however, the spread can vary during the day so looking at the intraday chart for the current day or previous days can help you identify whether the wide spread you are being offered is normal. See the example below: the spread of the ETF (the white band) varies from as wide as 5% in early trading to a more regular 0.5% for much of the day. If you had just happened to request a quote around 2.35pm (when the spread was wide) then looking at the intraday chart would have helped you identify that the spread was unusually wide. Of course, if the share price is rising rapidly, you'll have to weigh up how much the price is going to rise whilst you wait for the spread to narrow.

ShareScope Plus subscribers can also see this data. Even though it is 15-minutes delayed you will still get an idea of spread variation and be able to compare it to the prices offered by your broker.

Pounds 5 min bars   ETFX DAXglobal Gold Mining Fund   ETF

32.665

IMPORTANT
None of the articles in this newsletter should be treated as a suggestion to buy or sell any instrument. All examples are for illustration only. Neither Ionic Information nor any of its employees is authorised to give investment advice.

GM's Column

I recently tried to find a definition of broker ratings on the web and drew a blank. However, a contact at one of our data providers came up with the following. I don't know the source but hopefully you will find it useful. On a related note, I am informed that broker price targets - which you will see reported in news stories - are generally for a 12 month outlook.

Buy, Strong Buy

These ratings indicate that the covering analyst recommends a particular company. However, it doesn't mean that the broker necessarily recommends that you buy shares in the company. Instead, it means that if you are already considering companies of the same sector, then this is a good one to consider and you should think about balancing your portfolio so you hold more shares of this particular company.

These types of ratings also indicate that the total return on equity is expected to increase by 10% or greater over the average total return of a sector or index for the coverage period.

Outperform, Moderate Buy, Accumulate, Overweight, Add, Market Perform

As above, these ratings indicate that the covering analyst recommends a particular company. However, again, it doesn't mean that the broker necessarily recommends that you buy shares in the company. Instead, it means that if you are already considering companies of the same sector, then this is a good one to consider and you should think about balancing your portfolio so you hold more shares of this particular company.

For the above ratings, total return on equity is expected to increase by 5% -10% over the average total return of the sector or index that the company is a part of for the coverage period.

Hold, Neutral, In-line, Equal-weight

These ratings indicate that holdings in a particular company should be equal to other holdings in that sector. Again, this only applies if you are already investing or considering investing in that particular sector.

Total return on equity is expected to have a variation of +5% - (-5%) over the average total return of the sector or index that the company is a part of for the coverage period.

Underperform, Moderate Sell, Weak Hold, Underweight, Reduce

If you are holding companies in a particular sector, then one with any of the above ratings is one that you should consider holding less of. Again, it doesn't mean that you should sell all your shares in that company, but that you should consider rebalancing your portfolio so that less is concentrated in that particular company.

The total return on equity is expected to decrease by 5% - 10% over the average total return of the sector or index that the company is a part of for the coverage period.

Sell, Strong sell

As above, if you are holding companies in a particular sector, then one with any of the above ratings is one that you should consider holding less of. Again, it doesn't mean that you should sell all your shares in that company, but that you should consider rebalancing your portfolio so that less is concentrated in that particular company.

The total return on equity is expected to decrease by 10% or greater over the average total return of the sector or index that the company is a part of for the coverage period.

Rich's Scripts

RICHARD CHIESA, SUPPORT

Creating dialog boxes for ShareScript can be a fairly time-consuming process if you start writing one from scratch every time. However, you can save a lot of time by pasting a template dialog box into your script and modifying it as needed. This is my default box: it contains a drop list, an integer edit and a real number edit, ready to be pasted on any new script. Remember, you can call me or my colleagues at any time for help with scripting. We can help you understand the concepts, email you a piece of code like the one on the right or we may already have a script that does what you are trying to achieve.

Don't forget also that we have a library of scripts at www.sharescript.co.uk.

```
var optionList = ["Option 1","Option 2","Option 3"];
var option = 0;
var intVariable = 10;
var numVariable = 1.5;
function init(status){
    if (status == Loading || status == Editing){
        option = storage.getAt(0);
        intVariable = storage.getAt(1);
        numVariable = storage.getAt(2);
    }
    if (status == Adding || status == Editing){
        dlg = new Dialog("Select options...", 155, 55);
        dlg.addOkButton();
        dlg.addCancelButton();
        dlg.addDropList("DL1",8,-1,80,-1,optionList,"","",option);
        dlg.addIntEdit("INT1",8,-1,-1,-1,"","Input
1",intVariable,2,1000);
        dlg.addNumEdit("NUM1",8,-1,-1,-1,"","Input
2",numVariable,0,100);
        if (dlg.show()==Dialog.Cancel)
            return false;
        optionList = dlg.getValue("DL1");
        intVariable = dlg.getValue("INT1");
        numVariable = dlg.getValue("NUM1");
        storage.setAt(0, optionList);
        storage.setAt(1, intVariable);
        storage.setAt(2, numVariable);
    }
}
```