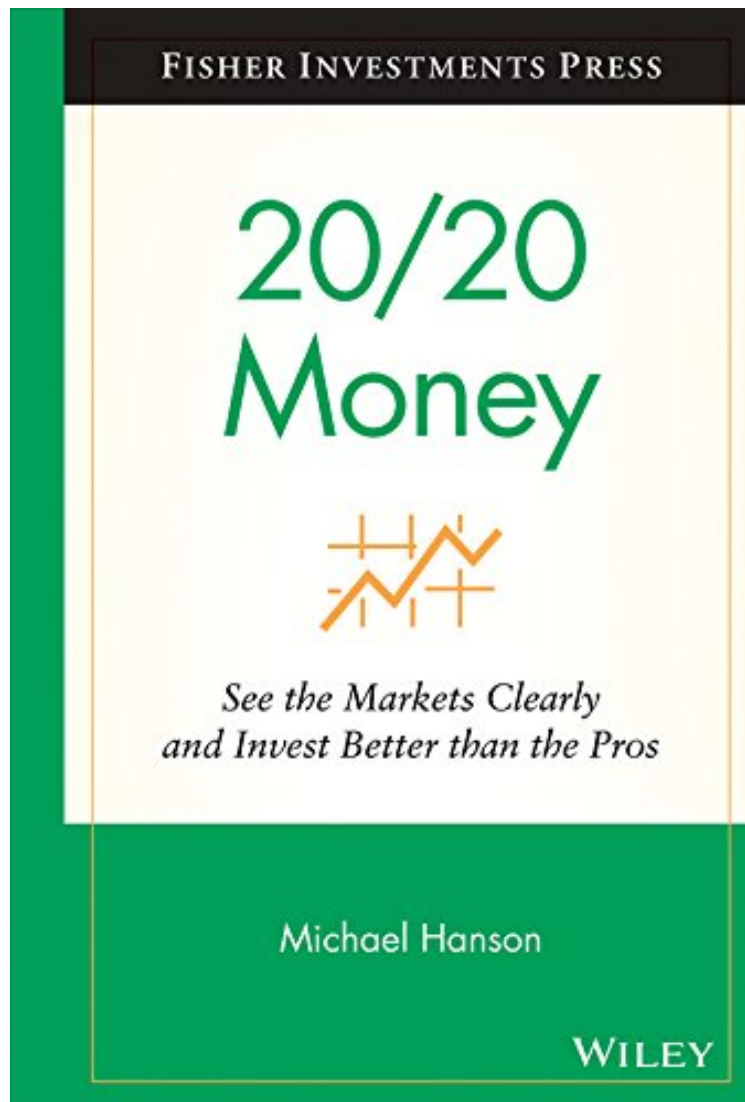


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## 20/20 Money: See the Markets Clearly and Invest Better Than the Pros (Fisher Investments Press)

*Michael Hanson*

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**Michael Hanson : 20/20 Money: See the Markets Clearly and Invest Better Than the Pros (Fisher Investments Press)** before purchasing it in order to gauge whether or not it would be worth my time, and all praised 20/20 Money: See the Markets Clearly and Invest Better Than the Pros (Fisher Investments Press):

2 of 2 people found the following review helpful. Applying analytical techniques to investing By Fascinated explorer Hansen works as an analyst for Ken Fisher investments, and brings his insight on the usefulness of applying analytical techniques to investing. He correctly identifies the scientific method as our best way of testing hypothesis on

what works and if apparent correlations are real. For some reason he uses complex, emergent, adaptive systems, CEAS as an explanation of behavior. Hanson's analysis of how our brain responds to news is reasonable though limited since it is several years old. While he is well read he is not an expert in the various fields he uses to make a plan for investing. In a way this is an advantage since he explains the subjects in layman terms. He explains that the economy is the sum of all of the output of a country, while the value of stocks is largely a human response to the news of the stocks and subject to an emotional interpretation. People expect the two to go hand in hand, but they frequently don't. Being aware of when they don't coincide can be an investment opportunity. So one of the keys to successful results is to be attuned to short-term disconnect between the market consensus versus what you see as the reality and buy or sell securities on this basis. How do you handle the investment that fluctuates a lot (especially down)? You hopefully have done sufficient research to see if your reasons are still valid, if they are stay. He suggests further when in doubt do nothing. Sometimes the extra time provides an opportunity to get more information and make a better decision. There is so much information around we need to be choosy. An effective strategy is to follow supply and demand in areas of interest, since long term supply controls pricing. Market efficiency theory is useful in that it assumes most big problems or hopes are already factored into the market. He is quite interested in what he calls CEAS, complex, emergent, adaptive systems that he considers a way of looking at what affects markets. When it comes to predicting what markets will do many rely on the law of large numbers, which says that a large entity that is growing rapidly cannot maintain that growth pace forever. The further a price moves from its average the more likely it is to return to its average. The average of the results obtained from a large number of trials should be close to the expected value, and will tend to become closer as more trials are performed. This idea results in a bell curve of possibilities where the average is most likely, and the two tails or extremes are improbable. Nassim Taleb has pointed out that these tails are frequently fatter or bigger than expected resulting in big surprises- black swans. To check the possible returns on a portfolio you can use a Monte Carlo simulation, which is an analytical tool used for modeling future uncertainty. It allows investors to evaluate potential investment outcomes by simulating how they perform under thousands of market scenarios. It doesn't predict your portfolio results just the probability of it lasting over decades of retirement, or achieving a certain value over time, using historical data. Different scenarios can be tried with different levels of risk, return, stability, etc., with no guarantees. He is a big fan of studying economic history to be aware of how people reacted in the past to big positive and negative news. Peoples' reactions don't change much. Most sentiment, political, and economic patterns in the market have been studied and are well known and already priced into the market. Investors are constantly looking for new ways to understand the markets and see new interrelations. To manage your portfolio you need to know how comfortable you are with risk, with fluctuations in the value of your portfolio, your life expectancy, and many other factors. The usual ideas are mentioned, stocks have the best return, be diversified, be aware of market direction, keep track of how you are doing in progressing toward your goals. Generally the major thing you want to watch for is a big drop in the market to avoid large prolonged losses. Of course if you could predict the market you would be rich. He often refers to CEAS, complex, emergent, adaptive systems, as he writes about markets, but its use so far doesn't provide much help for investing. 8 of 11 people found the following review helpful. Excellent By Tina I think that John Wiley Sons have some of the most informative and well written books on personal finance and 20/20 Money is another great addition to my personal finance library. In 20/20 Money the author explores an aspect of finance that has always fascinated me - the "oneness" of the stock market, that is what I call the "almost sheep like mentality" when it comes to the stock market. Everytime I hear about a massive sell out of stocks I always ask myself "what would happen if everyone said to themselves "I am not selling this stock right now" - obviously, there would not be a massive sell off and the stock would remain strong (or at the least stronger). In 20/20 Money, the author explores more than just the day to day ups and downs of the market, but also takes a close look at the relationship between the market and the psychology of the people involved in it - and the extremely close relationship between the two. I found this the most fascinating part of this book. 20/20 Money is written in a concise and informative way - challenging us to look beyond the mere 1-2-3 of the stock market and to start investing in a different way - this book has its merits as I believe that we cannot continue to invest in the markets in the ways that we have been doing for the last 50 years?? I have taken down quite a few of the suggestions in this book and I intend to try them - I figure I may just get ahead of the game a little bit. This is a very informative book - if you are willing to think outside the box a little bit. 1 of 7 people found the following review helpful. Extremely bad written hodgepodge By X. Li It isn't worth even one star. Very badly written without real substance. I can't comprehend why any rational publisher would publish books like this one, except all expenses are paid and written off by the writer or his employer as a publicity or advertising "stunt". Very poorly and mindlessly written, yak!

20/20 Money: See the Markets Clearly and Invest Better Than the Pros To be a more successful investor, you need to see the investment landscape more clearly. 20/20 Money; from Fisher Investments Press; can help you achieve this goal. Designed to help you think differently about your investing choices, this reliable resource addresses new ideas and challenges widely held conventions. With 20/20 Money as your guide, you'll quickly learn how gaining a firm understanding of various concepts; from stock market and systems theory to neuroscience and

psychologydash;can help you begin making better investment decisions. Along the way, you'll also discover some of the most successful strategies for thinking and learning, and how they can be applied to your investing endeavors. To become a better investor, you have to have the discipline to make tough choicesdash;choices that may not always be in line with tradition or commonly accepted invested wisdom. But the approach outlined throughout these pages can help you gain the vision to begin making better-informed investment decisions.

From the Inside FlapA majority of investorsdash;both experienced professionals and aspiring individualsdash;are blinded by conventional investing ideas that just don't work. The fact is that many of us end up making costly mistakes because we don't understand the basic ways markets work. What you need to succeed is a new investing lens, one that allows you to see things in a different way than mostdash;one that helps you think differently. That's why Michael Hanson, a senior editor and columnist for Fisher Investments' MarketMinder.com, has written *20/20 Money*. While understanding economic fundamentals and analyzing data are important aspects of investing, without a clear vision and well-developed philosophy to help drive decisions, you can fall short of achieving your investing goals. Through an interdisciplinary discussion ranging from stock market theory, mathematics, and history to systems theory, psychology, and science, *20/20 Money*dash;the latest title from Fisher Investments Pressdash;ventures outside the narrow realm of investing to help you gain the focus needed to help you in your efforts to protect your portfolio and produce superior long-term returns in even the most difficult market conditions. Page by page, you'll discover how to: Use current research in neuroscience and behavioral psychology to understand how your perceptions and natural emotions are often contradictory to your best financial interests Apply the power of self-awareness and self-observation to build discipline and avoid common investing pitfalls Navigate the media and gauge investor sentimentdash;not only to get the information you need, but also to ignore distracting noise Analyze the stock market and economy as a complex, emergent, adaptive system (CEAS) Forecast stock markets in terms of probability and use pattern recognition Create a frameworkdash;or set of heuristicdash;for managing your own portfolio Recognize risk in its many forms and overcome obstacles during turbulent times Along the way, you'll also discover some of the most successful strategies for thinking and learning, and how they can be applied to better investing. If you intend on making money in the markets, having *20/20* investing vision can help. Filled with in-depth insights and practical advice, *20/20 Money* puts this discipline in perspective and shows you how making the right choices can make all the difference in today's dynamic market environment.From the Back Cover*20/20 Money: See the Markets Clearly and Invest Better Than the Pros* To truly outperform today's markets, you need to see the investment landscape clearly. *20/20 Money*dash;the latest title from Fisher Investments Pressdash;can help you achieve this goal. Designed to make you think differently about your investing choices, this reliable resource addresses new ideas and challenges widely held conventions. With *20/20 Money* as your guide, you'll quickly learn how gaining a firm understanding of various conceptsdash;from stock market and systems theory to neuroscience and psychologydash;can put you in a better position to excel in today's turbulent investment arena. Along the way, you'll also discover some of the most successful strategies for thinking and learning, and how they can improve your overall investment endeavors. To better protect your portfolio and increase opportunities for superior long-term returns, you have to have the discipline to make tough choicesdash;choices that may not always be in line with others. But with the approach outlined throughout these pages, you can gain the vision to make the most informed investment decisions possible and help improve your long-term results. About Fisher Investments Press Fisher Investments Press brings the research, analysis, and market intelligence of Fisher Investments' research team, headed by CEO and New York Times bestselling author Ken Fisher, to all investors. The Press covers a range of investing and market-related topics for a wide audiencemdash;from novices to enthusiasts to professionals.About the AuthorMichael J. Hanson has been an investment banker as well as a stock analyst and is currently a senior editor and recurring columnist at Fisher Investments' MarketMinder.com. He has lectured on topics in money management at the Haas School of Business at the University of California, Berkeley, and speaks regularly throughout the country on a variety of topics, including capital markets and behavioral finance.