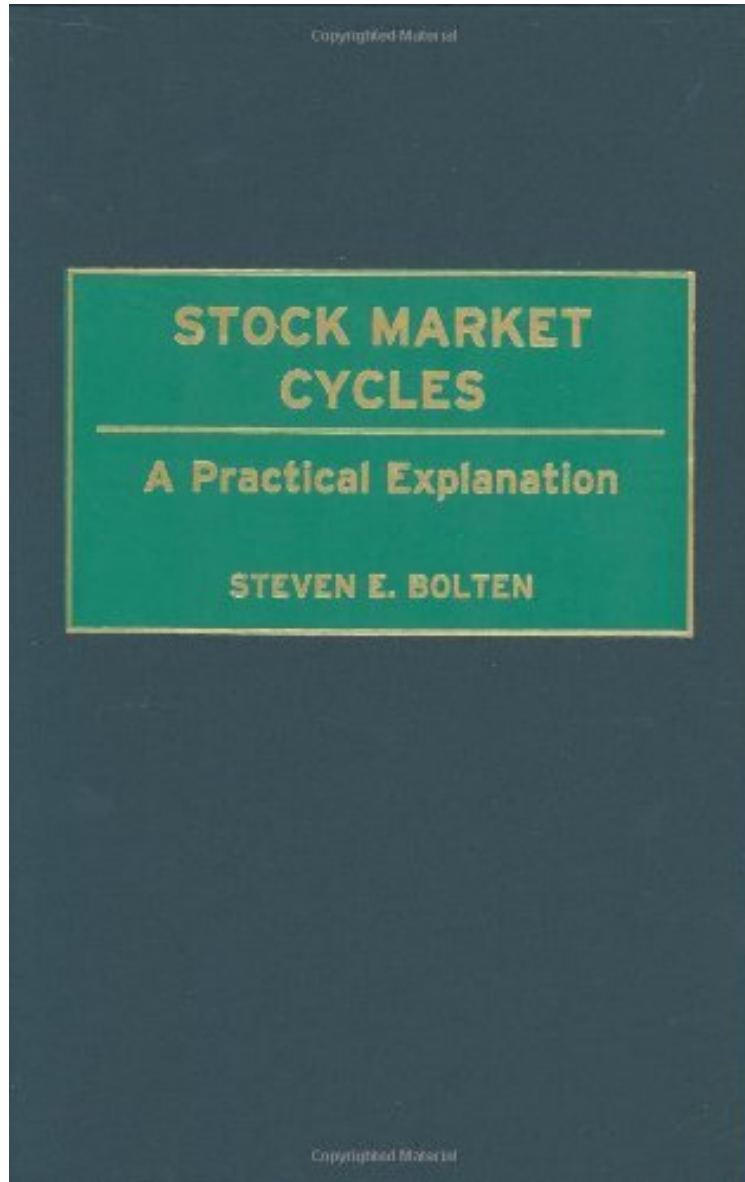


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Stock Market Cycles: A Practical Explanation

Steven E. Bolten

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Steven E. Bolten : Stock Market Cycles: A Practical Explanation before purchasing it in order to gauge whether or not it would be worth my time, and all praised Stock Market Cycles: A Practical Explanation:

14 of 14 people found the following review helpful. Stock Market Cycle following The Economic Cycle By A Customer In my quest for information about tradable (short and medium term) share price cycles I erroneously ordered this book due to its promising title and deficiency of reviews. The book is of no use for traders but gets 2 stars for the book that it is (rather than what I wanted). The stock market cycles explained are those mirroring the economic cycles

which usually extend over many years. The author details the central bank (Fed) manipulation of interest rates to control the economy, and how the stock market cycle results from the interaction of economic activity and interest rates. He then explains how assets can be moved between cash, bonds, and stocks to maximise returns through the different stages of the economic cycle. Sector rotation is briefly mentioned. I consider this basic subject would be of interest to an economics student or a portfolio manager, but private investors are generally too passive to practise dynamic asset allocation. And for a reported advantage of 2 - 3% pa it hardly seems worth the effort. To fill up the thin book, the final uninspiring chapters cover business life cycles, the P/E ratio, and a few empirical studies too esoteric even for serious investors. The narrow subject of The Economic Cycle is well described in this book to the point of being over-repeated (probably to make up enough pages to call it a book). I imagine this subject would fill a comprehensive chapter in an economics textbook.

Anyone who wants to understand stock market cycles and develop a focused, thoughtful, and solidly grounded valuation approach to the stock market must read this book. Bolten explains the causes and patterns of the cycles and identifies the causes of stock price changes. He identifies the sources of risks in the stock market and in individual stocks. Also covered is how the interaction of expected return and risk creates stock market cycles. Bolten talks about the industry sectors most likely to be profitable investments in each stage of the stock market cycles, while identifying the stock market bubble and sinkhole warning signs. The role of the Federal Reserve in each stage of the stock market cycle is also discussed. All the categories of risk are identified and explained while no specific risk is left undiscussed. The underlying causes for long-term stock price trends and cycles are highlighted. The book is useful in many areas including stock analysis, portfolio management, cost of equity capital, financing strategies, business valuations and spotting profit opportunities caused by general economic and specific company changes.

..."succinct and well-argued."-Association for Investment Management and Research?...succinct and well-argued.??Association for Investment Management and Research?...succinct and well-argued.?-Association for Investment Management and Research.. "succinct and well-argued."-Association for Investment Management and ResearchAbout the Author STEVEN E. BOLTEN is Professor of Finance at the College of Business Administration at the University of South Florida. He is the author of numerous articles and books. He is an accredited senior appraiser of the American Society of Appraisers and a certified business appraiser in The Institute of Business Appraisers and frequently consults in business valuation.