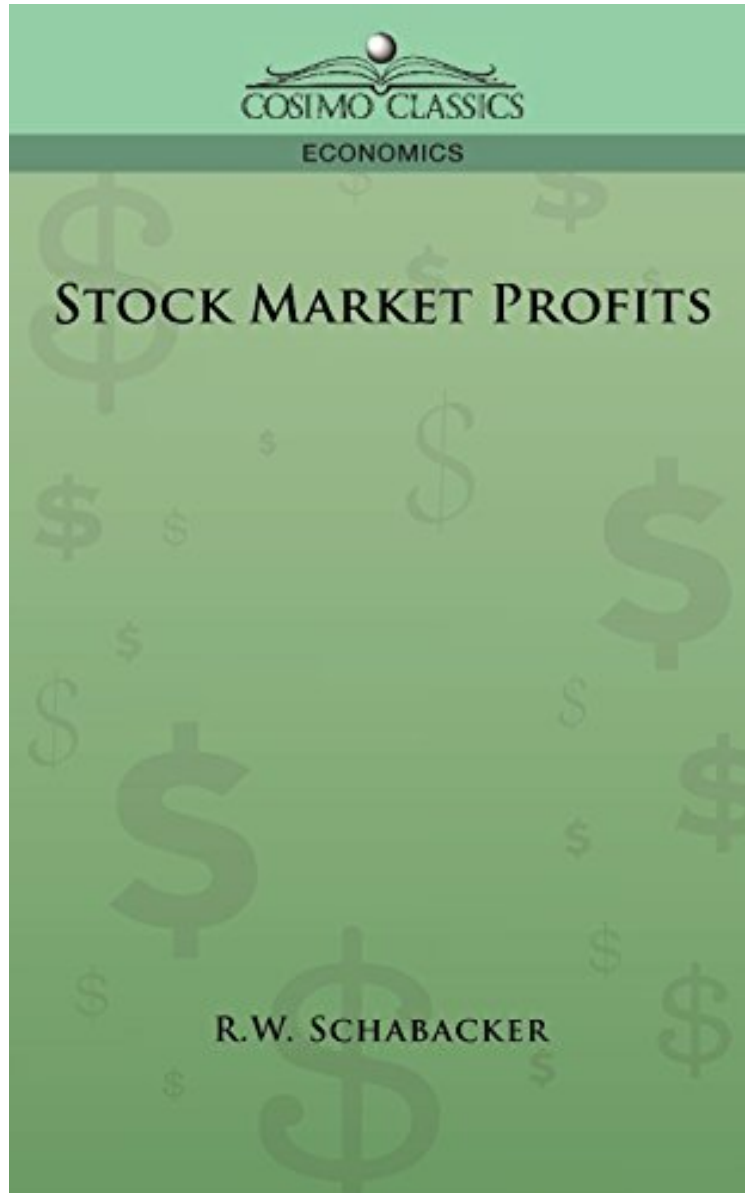


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Stock Market Profits

R.W. Schabacker

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R.W. Schabacker : Stock Market Profits before purchasing it in order to gage whether or not it would be worth my time, and all praised Stock Market Profits:

1 of 12 people found the following review helpful. A thick book with thin contents.By Mulia SantosaOnly little principles you can earn from this book.

The term "insider" may be logically applied to those successful operators who do make the market their business. But

anyone who takes enough time to study the market and align his operations with successful trends may just as logically remove himself from the "public" class of lambs and enter this indefinite but successful class of "insiders." "If it were not so" this book, and many others, would not have been written.-from "How to Join the Successful Group"Richard Schabacker is considered the grandfather of technical analysis, and his theories and acumen are a continuing influence on investment philosophy today. This classic in the field and still of tremendous value to long-term, short-term, and beginning investors alike, covers, in clear, non-technical language, all the basics of making sure your money serves you well in the market:.the proper attitude-and the wrong approach-to investing.how to take advantage of cycles of business and securities.when to buy and sell.fundamental and technical factors to watch.the proper use of stock charts.market psychology and why it matters.how to diversify risk.whose advice to follow-and whose you should ignore.and much more.American author RICHARD WALLACE SCHABACKER (1899-1935) was financial editor of Forbes magazine. He also wrote Stock Market Theory and Practice (1930) and Technical Analysis (1932).

From the Inside Flap
PREFACE TO THE FIRST EDITION During the past few years the author has received a complimentary number of requests for a sequel to his earlier volume, Stock Market Theory and Practice. His reply has usually been that such a sequel was "possible sometime," but was not probable in the near future. There have been two main factors which prompted this reluctant tendency. The first one may seem to indicate a smug self-satisfaction but it must be admitted, in fairness to the reader as well as to the author. It was a feeling that Stock Market Theory and Practice had covered the field so expansively that there was little further left for him to write about. Almost immediately after that volume appeared the author began to be greeted by the cheery remark of his friends, "Well, I suppose you'll be getting out a new book pretty soon now, won't you?" Such suggestions brought consternation to the writer, because he began to realize that others might also expect this "insidious continuity of the public pen." Yet he could think of few subjects truly useful or necessary to include in a new book which had not already been included in the first volume. There were even times when he was assailed by the feeling that perhaps he had said too much in Stock Market Theory and Practice, had "shot his wad," and would never find anything else new to contribute to market science and operating technique. Whether happily or unhappily for the reader, however, such feelings soon began to dissolve in the growing catalog of new experiences, new research, additional contacts with new problems for the investor, and the development of principles, both new and useful, which had been non-existent when Stock Market Theory and Practice was written. Yet there still persisted the author's second reason for reluctance in attempting a new book on the stock market. If the first factor seems unduly egotistical, perhaps the second may make partial atonement, for it has been a truly humble attitude toward the business of writing books. Too often has the author seen potentially competent writers brought under the destructive spell of favorable reception, of a publisher's ambitious enthusiasm or of general public urging, with the result that the "next book" comes too soon and is a distinct disappointment when compared with the earlier one. The present volume, therefore, has been growing and taking shape in the writer's mind for a long while. And he likes to think of it as the gradual result of a truly constructive growth in experience and attitude toward the general subject of successful stock market operation. When Stock Market Theory and Practice was written, there seemed the definite need for a comprehensive volume which should tell the reader "all you ought to know" about the stock market ndash; its theory, its principles, its successful trading practices. The author attempted to write such a volume and, having completed his task, was content to wait until a new and definite need for additional help should be made manifest. The manifestation developed long before it was expected, however. It took the form of steady requests for additional source material and new bases for study on the subject of technical analysis. The author has prided himself on early research and practical development of what is now termed the "scientific approach" to market analysis, chiefly through the medium of chart study. Merely on the theory that no general stock market volume would be complete without at least a working knowledge of this new but highly important approach, several chapters were included toward the end of Stock Market Theory and Practice on a brief outline of the basic principles inherent in this broad field of technical analysis. The resulting reaction was truly "terrific." Requests came in from literally every portion of the country, and even from foreign as correspondents, for further reference material to round out the outline presented in Stock Market Theory and Practice. Such a situation was embarrassing to the author. There were practically no previous published works on the subject. There was no "bibliography" to which the eager student might be referred. Very well then, why not write another book on this subject alone, providing well-rounded and thorough treatment in place of the mere outline in the earlier volume? There was just one disadvantage, but that was a major one. Technical principles were perhaps the most profitable tools of the "inside operator," of the small body of professionals who made profit at the expense of the public. But if the public should now be "let in" on this technique, then there was very apparent danger that the entire technical approach would lose its potential and practical value. Its success depends in considerable measure on the limited circle of its users. Let the "general reading and market public" begin to follow technical dictates and they might lose much of their value on this very account. Having already opened the door part way on this great and valuable field, however (and been chided by the successful professionals for so doing), the author could see no logic in back-tracking. The only procedure which seemed both fair and practical was

further complete and thorough exposition of technical science, but within a limited group of truly interested and specialized students, rather than for the reading public at large. The eventual result, therefore, was the writing and publication of a limited "tutoring" course by the author, called Technical Analysis and Market Profits. By such a method the more detailed valuable principles of the technical approach to market trading have been sufficiently restricted to maintain their practical value. And this is the brief story of how what might logically have proven to be "another book" by the author became instead a course of study, with limited circulation. It is revised from time to time to keep the material up to date on the trends of this specialized field of market science, but the advisability of continued restricted circulation has not disappeared. Two rather large and important needs for the successful investor had thus been met. But within the past couple of years the author has sensed the growth of still a third need, not only through constant contact with practical operators and the "average investor" but also as a result of his own theories and experience in such regard. Stock Market Theory and Practice was designed to give the individual a full and complete background of basic knowledge with which to pursue his general market activities. In order to fill such a need it had to be a rather long volume, perhaps definitely tedious to the average reader in certain aspects of its approach. But particularly it was utterly inescapable that such a volume would also be intricate in some of its sections, covering fields which might easily appear overly technical to the average reader. If this was true of the author's previous volume, then it was even more certain to be the case with the later course, Technical Analysis and Market Profits. The latter, as just described, deals almost entirely with the more technical and specialized field of scientific approach, which is useful and necessary chiefly to the market student or the more serious operator. The first clear-cut call for writing of the present volume, therefore, came as a result of this feeling that the author's previous works had perhaps been too technical, too specialized, for the purely average investor who was not in the market as a business. What such an individual wanted; or at least what he needed; was a purely general volume on profitable but simple rules and methods for the average man whose market operations are auxiliary to his financial life rather than a detailed aspect of emphasized activity. It is for this conventional type of operator that the current volume has been written. The author has attempted to view the problems of such an individual as though they were his own. He has assumed the perfectly workable premise that it is definitely possible for the average operations of the average businessman to be just as successful, just as profitable, in comparison with the investment of capital, time and attention, as are the operations of the specialized student of the active insider. He has designed the present volume, therefore, with an eye to getting the most in profit out of average market operation with the minimum of personal research, statistical background, and necessary attention. This first basis for the current volume was merely the factor of need, however. There was no practical value in presenting a new book on market operation unless that need could properly and efficiently be met; unless the question could be answered with a positive, straightforward and useful approach. The answer to such a need is perhaps, therefore, the real basis for the author's current offering. It has grown not merely as a result of the definite search for easily usable and valuable tools of the average lay investor, but it has also grown from the author's additional experience in recent years, from new research and most important of all; from a partial change in the attitude of the author himself toward practical market operation for the average individual. It has grown gradually out of something that might almost be called a "modern reformation" in personal attitude, a rediscovery of basic fundamentals of pure common sense and logic as they can successfully be applied to practical market activity for value and profit. The author, along with most commentators and most readers, has been well aware of many common, simple and homely principles about the general market approach from the very beginning of such study. But in the modern era of specialization we seem often to have concentrated too much on the more intricate and specialized aspects of our problem, to the destructive exclusion, or neglect, of the much simpler and easier aid which we may find in the commonsense rules of logical consideration, average thoughtfulness and basic reasoning. The author would not give the impression that the more technical, more specialized, approach has lost its value. Far from it. It is still the cornerstone of practical success for the active trader, the conscientious student, the individual who is truly able and willing to give a maximum of time and study for a maximum of profit and practical success. But the point is that the man who has not the time, or the background, or the desire, for such specialized study, need not feel that he has no alternative course to valuable even though simpler, consideration. He need not feel that the door to consistent market profit is closed to him simply because he is not "a big trader," a naturally studious individual, or anything more than a purely normal, average person whose market operations are not his entire life but ought none the less to be placed on a sound and practical basis. For such a purely average individual the current volume has been written. In it the author has attempted to avoid the intricacies of overly technical theory, and has tried to concentrate on the useful application of standard, but too often overlooked, rules which stand at the very foundation of market success, and also to offer additional principles which are perhaps new but are yet simple and basic. The emphasis, whether the theories are new or old, is upon the money-making possibilities which the average investor may find in perfectly clear consideration of simple logic and in the application of his own good sense to practical market forecasting. No attempt has been made to cover the entire field of market technique, particularly the more specialized and scientific fields. The attempt has been to present a purely simple rationalization of the entire scheme of market action and market activity, to boil the whole thing down to a commonsense and logical approach which even the

inexpert and far-from-professional layman can easily understand and profitably apply. In the hope, therefore, that its principles will prove readily understandable and easily applicable for the average investor, this volume is offered. If it restrains him from even only a few of the costly errors which he so commonly makes, saving him from crippling losses that often mar an otherwise satisfactory record, then it will have fulfilled at least a portion of its purpose. But if, in addition, it shall lead the reader into a clearer understanding of how his own native mental talents, his own common sense and personal logic, may be sharpened and directly applied, to turn common loss into consistent profit and lasting success, then indeed the author shall be satisfied that this volume has fulfilled the aims and purposes which have been constantly before him in its preparation.

R.W. Schabacker New York City October 5, 1934

From the Back Cover The book that helped launch the "technical analysis" revolution! Learn charting and market forecasting from the master: Richard W. Schabacker. How to think and act before the rest of the market does. "One of the ten best investment books of all time" -- Sunday Financial Times of London. Written by Richard Schabaker, the "grandfather" of technical analysis, this book contains the seeds of virtually everything that is currently written or thought about technical analysis. More and more investors are experimenting with charting techniques and are looking for more information -- with Stock Market Profits, they can go directly to the master. This thorough how-to guide sheds the "technicalities" associated with technical analysis. Schabaker emphasizes that success depends on the individual's ability to think and act ahead of the rest of the investing public. He then offers clear, easy to follow guidance and practical insight into the proper use of charts, market forecasting, and much more. Richard W. Schabacker is widely recognized as the "grandfather" of technical analysis. During his lifetime, he was granted prestigious editorial positions by the leading financial publications of the 1920s and 1930s including Financial Editor of Forbes magazine. In 1930 he published his first book on contemporary investment practices, Stock Market Theory and Practice, which was followed in 1932 by Technical Analysis and in 1934 by Stock Market Profits: A Course in Forecasting.

About the Author American author RICHARD WALLACE SCHABACKER (1899-1935) was financial editor of Forbes magazine. He also wrote Stock Market Theory and Practice (1930) and Technical Analysis (1932).