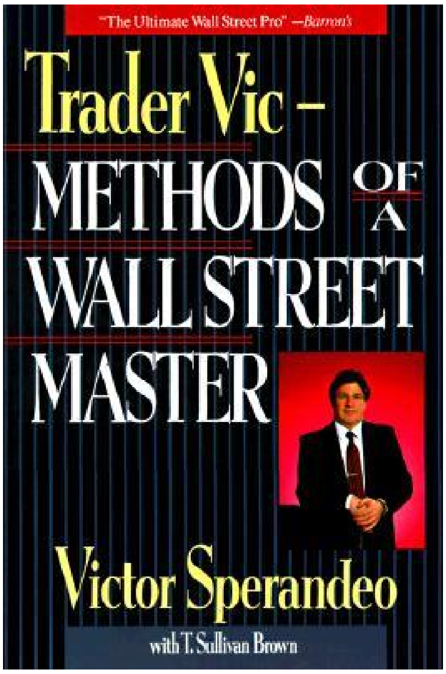

Trader Vic--Methods of a Wall Street Master

Victor Sperandeo , T. Sullivan Brown

Trader Vic--Methods of a Wall Street Master

Victor Sperandeo , T. Sullivan Brown

Trader Vic--Methods of a Wall Street Master Victor Sperandeo , T. Sullivan Brown
Victor Sperandeo, dubbed "Trader Vic" by the press, has been a successful money manager and professional trader for 22 years. Based on 3 principles--capital preservation, consistent profits and pursuit of superior returns--"Trader Vic" highlights proven strategies usable by any investor. Along with exploring the interrelationships between the national and global economies and monetary and fiscal policies, the author describes the pyschological barriers which can prevent investors from executing their plans. He demonstrates how investors can succeed in any market.

Trader Vic--Methods of a Wall Street Master Details

Date	:	Published August 26th 1993 by Wiley (first published April 1991)
ISBN	:	9780471304975
Author	:	Victor Sperandeo , T. Sullivan Brown
Format	:	Paperback 304 pages
Genre	:	Economics, Finance, Business, Nonfiction

From Reader Review Trader Vic--Methods of a Wall Street Master for online ebook

Doug says

Basic, really good stuff

David Siefert says

Part of The Master Swing Trader bibliography--Answers what the 2B reversal and 123 reversal is. Contains other valuable information (money/credit, risk management, trader psychology). Quite valuable.

Akhil Jain says

• Business is like a man rowing a boat upstream. He has no choice; he must go ahead or he will go back.-Lewis E. Pierson
• The first net fisherman had to save in order to acquire the knowledge, time, energy, and materials to construct the net. Once he created the net and learned how to use it, he saved enormous amounts of productive energy by making each of his working hours more fruitful. He could not only provide fish for himself and his family, but could trade his surplus for the products of others.Fish became less scarce because they required less labor to attain, and therefore his neighbors could afford to specialize in producing other necessities to trade with him for his fish.
• Plato, the Greek philosopher, believed that the common man was incapable of governing his own life and affairs. Ideally, he thought that philosopher kings should rule the world. In a sense, Plato got his wish. The members of the FOMC are the philosopher kings of the U.S. economy, and as the sovereigns of the most powerful industrial nation on earth, they wield enormous power over the world economy as a whole. They are the kings, and the markets are the subjects-free to act only within the confines of sovereign dictate.
• What the Fed failed to realize during the 70s is that interest rates aren't the sole determinant of the supply of and demand for money and credit. It goes right back to Von Mises' explanation of the three components of the gross market rate of interest and how they change during the boom/bust cycle.
• Volcker announced that the discount rate would be raised from l l to 12% and that new, restrictive reserve requirements would be imposed on banks' foreign liabilities. Both actions demonstrated the Fed's resolve to bring inflation under control. But the real kicker was Volcker's proclamation that from then on, the FOMC would control the money supply directly by controlling reserves through open market operations rather than by shooting for target Fed Funds rates. At this point, Volcker was engaging in psychological tactics to cool the speculative fever.
• In October 1987, the market was not only no Jack LaLanne, it was an alcoholic, with pneumonia. that smoked three packs of unfiltered Camels a day.Consequently, I was out of the market and looking for an opportunity to short it. The first sign was on October when I read in the Wall Street Journal: "Fed Chairman Greenspan said interest rates could become `dangerously high' if inflation worries`mushroom' in financial markets. Greenspan called such worries unwarranted but hinted the discount rate may have to rise to allay them." The next day, stock prices plunged a record 91.55 points for no immediately apparent reason other than Greenspan's pronouncement. On October 15, Dow Theory gave me a sell signal, and I went short thinking that the patient's heart could fail with even the slightest excitement.The heart attack occurred when

Germany and Japan failed to heed James Baker's request to stimulate their economies(inflate) to protect the value of the dollar. In response, Baker announced to the world on Sunday, October 18, that he "would let the dollar slide." I knew at this point that the financial markets would collapse from the dollar devaluation. When the market gapped down on October 19, I shorted the opening of the S&P 500 futures and made a substantial profit for my account in that position alone.
• Unlike other animals, our emotions are not automatic responses to what happens in reality,but are a result of our interpretation of what occurs. The man who believes that wind is caused by the spirits of the dead seeking a resting place will respond much differently to a violent storm than will the trained meteorologist.
• Again in Ayn Rand's words:Just as the pleasure-pain mechanism of man's body is an automatic indicator of his body's welfare or injury, a barometer of its basic alternative, life or death-so the emotional mechanism of man's consciousness is geared to perform the same basic function, as a barometer that registers the same alternative by means of two basic emotions: joy or suffering . . . . [E]motions are estimates of that which furthers man's values or threatens them . . .lightning calculators giving him the sum of his profit or loss.But while the standard of value operating the physical pleasure-pain mechanism of man's body is automatic and innate, determined by the nature of his body-the standard of value operating his emotional mechanism is not. Since man has no innate ideas. he can have no innate value judgments.
• But doesn't it make just as much sense that a change in your physical body would affect you emotionally? Absolutely. For example, motivation specialist Anthony Robbins does the following exercise on one of his audiotape programs.' Try it and see what happens:Stand up straight and erect, shoulders square, and look up at the ceiling. Put a big smile on your face, no matter how stupid it feels. Now, try your best to feel depressed without changing any aspect of your posture or your smile. Keep trying.
• The wavelike movement affecting the economic system, the recurrence of periods of boom which are followed by periods of depression (recession), is the unavoidable outcome of the attempts, repeated again and again, to lower the gross market rate of interest by means of credit expansion. There is no means of avoiding the final collapse of a boom expansion brought about by credit expansion. The alternative is only whether the crisis should come sooner as the result of a voluntary abandonment of further credit expansion, or later as a final and total catastrophe of the currency system involved.'-Ludwig von Mises

---

Jim says

I liked this book for a couple of reasons and I thought my time was well-spent. Here's why:
*Vic Sperandeo is a directional trader--he plays the short side as well as the long side without real preference between the two. It's not just a book by a trader who thinks that there's a bull market somewhere. He does adequately explain his decision-making process for which side of the trade to take.
*Even though we've all known/talked about Dow Theory, Vic took all of that discussion and all of those writings a hundred years ago quite seriously. This book isn't a good enough book to make you competent in Dow Theory but there was enough detail here to lead me to think that I should spend more time learning more about it. Sperandeo convinced me that Dow Theory could sharpen my decision-making about macro fundamental influences on stock price performance which extend well beyond earnings per share and the other typical fundamental metrics and ratios. Sperandeo makes the point that things are connected out there and there's value in determining those connections or lack thereof.

Note that this book is not current. Vic got his start in the late '60's so the anecdotes and historical perspective is a little dated. And, even though he used the leverage of options in his trades, there's no significant mention of selling options or any of those strategies. Last, since he is either long or short in a trade, I don't remember seeing any mention of neutral strategies. If it's true that the market trends sideways much more often than it trends up or down, then this book won't provide significant guidance for that kind of trading.

Despite those shortcomings, I recommend the book for reading and it did influence me to spend more time learning about macroeconomic conditions/influences. I don't think that I will re-read it but I'm glad that I read it once.

Sandro Trosso says

Amusing and practical based on traditional technical analysis combined with statistics

---

Frank Palardy says

This is a good book for basic TA. Rather than go into detail he goes off on psychology. This is important, but it's harder to explain.
