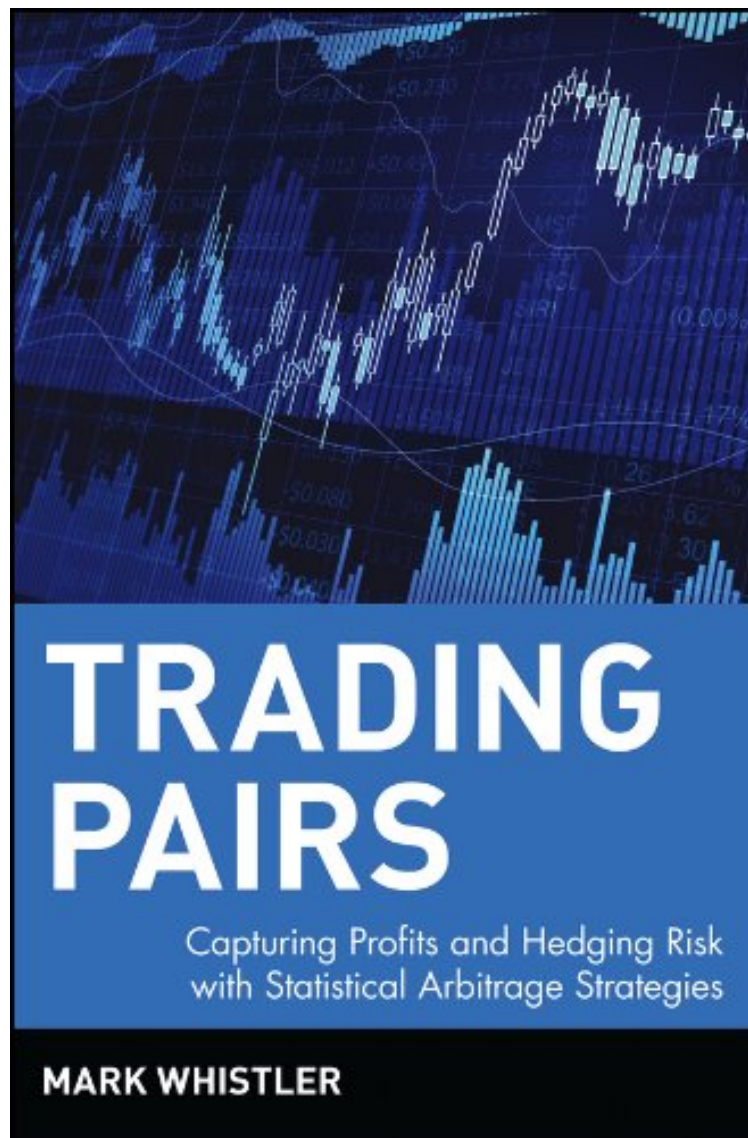


[PDF] Trading Pairs: Capturing Profits and Hedging Risk with Statistical Arbitrage Strategies (Wiley Trading)

Trading Pairs: Capturing Profits and Hedging Risk with Statistical Arbitrage Strategies (Wiley Trading)

Mark Whistler

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Mark Whistler : **Trading Pairs: Capturing Profits and Hedging Risk with Statistical Arbitrage Strategies (Wiley Trading)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Trading Pairs: Capturing Profits and Hedging Risk with Statistical Arbitrage Strategies (Wiley Trading):

30 of 33 people found the following review helpful. Major DisappointmentBy William RockwellI had hoped this book

would provide a good overview of pairs trading as well as some specific techniques on implementation. Unfortunately I found the book almost useless for a number of reasons. Other books on statistical arbitrage have received poor reviews here for being too mathematically complex. This book does not suffer from this problem. The mathematics presented are not difficult and in fact are probably a bit oversimplified. If you know sigma means to add a series then you probably know enough. The actual narrative is the main failing. Concepts are presented in a very disorganized way, with little continuity between subjects. The writing tortures the reader. Even relatively simple definitions are strained by many parenthetical remarks. The book does not do a good job of conveying either the essence of the subject or much practical implementation details. The book spends quite a bit of time describing how to build an excel spreadsheet to do the calculations. There is also a cd rom containing what I assume to be the implementation of the excel spreadsheet described in the book. I cannot comment on the software as I did not install it as the book was such a major disappointment. There is a small chapter near the end of the book that contains some good information. However these 4 or 5 pages of information are not worth the price of the book or the torture inflicted on anyone attempting to read the rest of it. 0 of 4 people found the following review helpful. sucks! CANT HANDLE A CD By biabailoI ordered this book and it came without the CD. Then I ordered the replacement. a month later, the replacement got here WITHOUT THE CD!!!! DON'T BUY! AMAZON DOES NOT DELIVER THE CD! 4 of 5 people found the following review helpful. A waste of money By Colin Reed Mark Whistler - a 'licensed securities broker', is the only qualifier for him writing this book. The book is poorly conceived, with numerous typos and bad grammar. There is little to justify the high price of this book. Given the high price of this work, Wiley could at least have employed a decent proof reader. A lot of it is just fill. Pages of pointless web addresses everybody knows about.. (yahoo, etc), rating of economic stats, and needless chapters about technical analysis, and option basics. If you're at the level of wanting to arb trade, you have that stuff down cold. It appears hastily put together with little sequence between the chapters. He even admits he changed course close to the publisher's deadline to include a real live trade (APA/APC), which reads more like a blog. It goes on and on. Do I want to hear about him standing on his desk screaming his head off when a trade got legs and went in his direction? At one point he admits that the pairs trading community focus on ratios, yet he talks about differentials instead. No, I am sure the guy knows how to put on and take off stat arb trades, he just doesn't know how to teach it. An author he isn't. He doesn't offer any kind of structure for the beginning pairs trader to build on. Most of the stuff in the book you can get off the I.net. for free. The one really useful chapter was Chapter 8 'Understanding Correlations' which was written by somebody else, (Steven Price). There is little to justify this book's high price. It is not a serious work. Don't waste your money.

An accessible guide to the pairs trading technique A leading arbitrage expert gives traders real tools for using pairs trading, including customizable Excel worksheets available on the companion website. Mark Whistler (Denver, CO) is the key developer of pairstrader.com as well as a licensed securities trader and broker and leading arbitrage expert.

From the Inside Flap Traditionally, when you either buy or sell a stock, you hope that it moves in the one direction that results in a profit. However, at times, this strategy leaves you with a "naked" position that is simply at the mercy of the markets. Thus, pairs trading offers a unique alternative and allows you, the individual investor, a way to "hedge" positions. The goal is to protect your portfolio from dramatic market upswings or downturns, while finding stock relationship inequalities—all in an effort to make money. Written by Mark Whistler, a licensed securities trader and broker and leading arbitrage expert, *Trading Pairs: Capturing Profits and Hedging Risk with Statistical Arbitrage Strategies* clearly illustrates this profitable technique, and allows you to gain a new perspective on the markets as well as a new approach to investing. In addition, if you have access to the Internet and Microsoft Excel, the companion website can help you put everything in this book to practice, as well as track your pairs. This informative, yet easy-to-read guide begins by laying a small foundation that will help you form a solid understanding of pairs trading. You'll be introduced to market basics such as liquidity ratios and shares outstanding. You'll also receive a briefing on how both fundamental and technical analyses tie into pairs trading. Once the basics are covered and you're familiar with pairs terminology, you'll learn how to put this profitable technique to use in your trading endeavors. In straightforward and easy-to-understand language, *Trading Pairs* explores the fundamental, technical, and emotional cycles of the market's rotational relationships, and illustrates how to capitalize on discrepancies when disharmony appears. It will discuss, in-depth, the importance of: Understanding correlations, including stock correlations in relation to indices Using statistics to: identify relationships, assist in determining the direction of the relationship, and ascertain how to execute your trades based on the data presented Differential versus ratio Moving averages and NSD Money management Using Excel to trade pairs And much more Pairs trading is by no means the "holy grail" of trading, but with the proper base of applicable knowledge and impeccable money management skills, you'll find yourself with an effective trading strategy for any market environment. Filled with in-depth insights and practical advice, this book will help those who don't have access to expensive trading software create live spreadsheets, track pairs like a pro, and increase the bottom line of their portfolios. From the Back Cover Pairs trading is an effective trading style that has traditionally been utilized by institutional investors such as

hedge funds and savvy individuals who trade for a living. But today, this style has been adopted by a broad range of traders—from the novice to the veteran. With the help of technology and some commonsense guidance, you too can begin using this technique to boost the profits of your portfolio. Written by Mark Whistler, a licensed securities trader and broker and leading arbitrage expert, *Trading Pairs* clearly illustrates this profitable technique, and allows you to gain a new perspective on the markets as well as a new approach to investing. In addition, if you have access to the Internet and Microsoft Excel, the companion website can help you put everything in this book to practice, as well as track your pairs. "Mark Whistler has produced the ultimate guide to pairs trading that is a must read for any technical or fundamental market trader. Better yet, he's done so with a sense of humor that makes for an even better read!" —Scott Cortelyou, cohost, *Business for Breakfast*, 760 AM, *The Zone*, KKZN

About the Author: Mark Whistler is a licensed securities trader and broker and leading arbitrage expert. Mark recently worked as the Editor in Chief for a respected financial newsletter and was a guest analyst on a nationally syndicated radio show. He holds a bachelor's degree in finance and art history. He is the key developer of pairstrader.com and can be seen around the country giving seminars on trading techniques, technical analysis, pairs trading, and deciphering economic news. He has contributed to a market show on 760 AM (in the Denver area), and writes a newsletter, *The Pairs Trader* (pairstrader.com).