

The Process of Developing a Full Portfolio Management System

By Jeff Parent

Jeff Parent is an associate portfolio manager at Research Capital, a Canadian Investment Dealer. He has appeared on television, is an author, public speaker, president of the Canadian Society of Technical Analysts and has been quoted by the media in Canada and the US. Jeff uses a unique mix of quantitative and technical analysis to identify trends in the markets and individual stocks. He has been using Amibroker since 2001.

Jeff will bring attendees through the process of developing a full portfolio management system following these steps:

- observing charts for potentially profitable patterns in prices and relationships
- developing indicators to identify those patterns
- combining indicators and testing for efficacy
- creating a master indicator and sub-systems
- using a decision tree in a top-down approach
- ranking candidate stocks & tracking existing positions
- using money management rules to scale in and out of positions

These concepts and Amibroker features will be discussed:

- volume at price chart
- add to composite function
- automation with scripting
- using information in the note field in indicators and explorations
- customizing sector and industry groups
- visualization techniques for explorations and chart screens
- filtering
- market sentiment
- linear and non-linear statistics
- statistical significance
- the industry factor / effect
- money management and risk control

The presentation will require a basic understanding of technical analysis. It will cover topics in a general, conceptual way and is meant to provide direction in developing an investment process. Time will not permit Jeff to show the specific details of his system, but will make code available upon request.