

What's New in Insight Trader version 18.1



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1. Portfolio Information Displayed on Charts

A "Show Trades" button on the main toolbar allows you to toggle on and off certain portfolio information on the charts so long as you have already previously loaded a portfolio. This portfolio information includes the average price paid on any existing open positions, buy and sell transaction flags as well as information on your current holdings of that security, the capital profit to date and the maximum additional amounts that can be purchased without violating your risk criteria as set in the Risk Calculator.

Buy and Sell flags and Average Price Paid

If the security displayed on the existing active chart has open positions in the portfolio that you have currently loaded then a short dotted line will appear on the right hand side of the chart at a price level equal to the average price paid for the securities that you currently hold.

If the security is one that exists in your portfolio either as a current holding or a previous holding then your buy and sell trades are automatically flagged on the chart as tiny squares on the relevant bars or candles at the price level that you paid and on the exact date of the transaction. This means that on weekly or monthly charts these flags might appear between bars which are situated at the end of the relevant period. Changing to a daily display will allow each flag to fall on its respective daily bar. If there have been any capital adjustments to the chart following the transaction dates then the price levels of the squares will be adjusted accordingly. The actual prices paid can be shown if you change to the unadjusted chart.

Buy transactions have a short trailing tail attached to the square that points up at about 45 degrees and are given the same colour as that which has been set for the point and figure crosses. Sell transactions have a trailing tail that points down and is given the same colour as the point and figure squares.

Profit, Holdings and Maximum Additional Purchase

When you are reviewing charts the extended F12 data box can display the value of your existing holdings in that stock as well as the profit and the maximum extra amount that it is possible to add to your holdings consistent with your risk management settings in the Risk Calculator and the last recorded price. So long as you have already previously loaded a portfolio there will be displayed on the F12 databox, underneath the Velocity and Behaviour Index figures for a charted security the current value of your existing holdings in that security, the current capital profit as well as a value representing the amount that can be added to your existing holdings of that security in the loaded portfolio without violating any of your risk management limits. A sell stop price must have been already set (stoploss) for that security for this display to appear.

If the security is not a current holding in your loaded portfolio there will be displayed the maximum holding permissible under the limits of the risk management criteria specified in your Risk Calculator settings. However, it is essential that a sell stop price (stoploss) has been set for that security otherwise this display will not appear.

2. Risk Calculator Changes

The risk calculator takes account of up to four risk criteria that will limit the maximum size of the holding of any single stock viz:

- (i) Maximum % risk allowed on total capital arising from each holding
- (ii) Limit on the maximum size of each holding as % of total capital
- (iii) The liquidity risk holding limit (as a maximum % of average daily turnover for that security)
- (iv) The limit imposed by the remaining cash available

Maximum % Risk allowed on Total Capital from any Security

Three Schemes available

Three risk management schemes are provided as options in the Risk Calculator. The first method is based on the scheme published by Colin Nicholson in his books "The Aggressive Investor and "Building Wealth in the Stock market" while the second method was his original version which he published some years prior to the release of these books. The third method is in some senses an amalgamation of these two previous methods. The differences between the three options are in the price increment representing the risk per share arising from any existing units already purchased prior to the new units. This figure is necessary to enable calculation of the contribution to the total risk posed by any existing units.

In each method this price increment representing risk in existing units is given by:

For method 1:
currentprice - sellstopprice

For method 2:
MAXIMUM(averagepricepaid - sellstopprice,0)

For the method 3:
MAXIMUM(currentprice,averagepricepaid) - sellstopprice

In addition, for method 3, we need to specify the maximum allowable risk on the TOTAL portfolio rather than on each individual position as with the previous methods. If this is say 16% then for each parcel to be purchased the Calculator multiplies the maximum total allowable portfolio risk, say 16%, by the percentage position size say 2%, 4% or 6%. For example for a maximum position size of 6% we would have a total risk of $16\% \times 6\% = 0.96\%$.

An average position size of 6% would allow ~16 stocks to be purchased.

If it is desired to have say 32 stocks instead of 16 with the same total portfolio risk then the average position size will be ~3% which gives a total risk per position of $16\% \times 3\% = 0.48\%$. That is, it adjusts automatically for different numbers of stocks and different position sizes.

To set the Risk Calculator Method you wish to use you can select from the main portfolio menu "Format/Choose Risk Calculator method to use".

If choosing method 3 you will need to specify the TOTAL portfolio percentage risk, say 8%, 16%, or whatever that you wish to employ against "Maximum % Risk to total capital from ALL positions" on the Risk Calculator dialog box. For the other methods it is the "Maximum % Risk to total capital from any SINGLE position". You will also have to set the parcel sizes eg say 2%, 4% and 6% or 1%, 2% and 3% or whatever to reflect the maximum number of stocks you anticipate will comprise the whole portfolio. Method 3 is now the default as it addresses certain issues arising from use of the other two methods.

Limit on Maximum size of any Holding

The maximum size of any holding is determined by the total portfolio value times the percentage limit that you have set for the particular parcel in question.

Liquidity Limit

The risk calculator enables you to include the risk posed by stocks with low average daily turnover. You can set globally for all stocks the percentage of daily turnover that you do not wish to exceed for the total position in each stock. The default is 10% but if you set it to zero then the test for this limit is ignored.

Limit from the Remaining Cash available

The limit imposed by the cash available to purchase is taken automatically from your portfolio. If your cash balance is below zero it is assumed that you are not using the account facility and the test for this limit is ignored.

3. The Global Indicators of Velocity and Behaviour

There are two proprietary indicators that we consider are sufficiently important that we have made them global within the program. These indicators have been developed so that, when used in combination with fundamentals, they may assist the user to identify stocks that are financially sound, well behaved and that are rising strongly in price. These indicators we have called Velocity and Behaviour.

- **Velocity** is a single value measuring the rate of price increase for any security based on the compounding rate of price growth from three different time frames
- **Behaviour** assesses a type of statistical volatility that is not captured by traditional measures such as ATR or Bollinger and acts so that the smoother the price change over time *compared with the rate at which it is rising or falling* the closer this indicator approaches 100%

The parameters for Velocity and Behaviour are set separately from other indicators under Format/Define Velocity from the main program menu. Whenever these indicators are accessed they take their parameters from this setting which cannot be altered elsewhere. The three time frames are user configurable with defaults of 65, 130 and 195 days with equal weightings but you can adjust these settings to suit your requirements.

Velocity and Behaviour are implemented as both subchart indicators and system functions. The latest values of these indicators are also displayed on the F12 notepad for the currently active chart. In the Portfolio Manager main summary screen each of your holdings will display the latest values of both these indicators for its relevant security. When you run a Systems scan the report includes columns for both Velocity and Behaviour and the report itself is always ordered on Velocity so that the fastest moving stocks are at the top of the list and are presented first when the list is charted. In addition toolbar buttons are provided on the main Insight Trader window to allow you to order an arrangement of charts by Velocity or by Behaviour.

Velocity

Velocity is intended to provide comparative measures of the compounding rates of price increase or decrease for different securities that are not easy to discern from direct observation of their charts because charts scale automatically. Velocity is expressed in terms of percent per annum compounding (%pa cpd) and can range from minus 100 %pa cpd to plus several thousand %pa cpd. If for example a security displayed a velocity of 100%pa cpd what this means in practical terms is that if it continued to exhibit the same velocity over two years then at the end of the first year it would have doubled while over two years it would have quadrupled in value.

Behaviour Index

The indicator Behaviour is always positive with values ranging from 0 to 100% and is intended to differentiate between those stocks exhibiting steady rises or falls in contrast to those displaying erratic wide swings likely to knock you out of positions by prematurely violating your stops. Good smooth price growth gives rise to Behaviour Index values approaching 100% while stocks exhibiting erratic short term swings which are large relative to the long term price growth rate give values for the Behaviour Index approaching zero.

You should be aware that high values of Behaviour will also be recorded for those stocks that are falling smoothly and steadily over time.

Note

Velocity and Behaviour included in F12 databox always show their values in a daily compression mode irrespective of the compression mode of the accompanying chart. However, the subchart velocity indicator takes the compression mode of the chart itself eg if compression of the chart is weekly then the parameter units of the chart indicator are weekly.

4. Additional Four Columns in the Portfolio Manager

The final four columns in the main Portfolio Summary screen consist of two performance indicators and two risk measures. The first two are the performance indicators Velocity and Behaviour that have been discussed elsewhere and provide current values of these for each of the securities you are holding. The next two columns are the risk based values of "%t" and "+ \$K" (or "+ \$")

The column "%t" provides a measure of what the value of each of your current holdings represents as a percentage of the average daily turnover in that particular stock. For liquidity reasons you might wish to limit your exposure to no more than say 10% or 20% of average daily turnover. We use as a proxy for average daily turnover the same 20 day average daily moneyflow figure that appears on the F12 data box. The liquidity criterion is set (as a % of average daily turnover) from the main menu under "Format/Set liquidity risk limit" where the default is 10%. It can also be altered from the Risk Calculator. If the turnover limit is set to zero then this criterion is ignored in the calculation.

The column "+ \$K" on the other hand displays the additional value that can be added to your existing holdings without violating any of your risk management limits. The figure is the extra amount (expressed in \$1000's) by which you can increase your holdings of any one stock. It takes account of the four risk criteria for that stock viz: (i) Max % risk allowed on total capital for each holding (ii) Limit on maximum holding size (iii) The liquidity risk limit (as a % of average daily turnover) (iv) The limit imposed by the remaining cash available. For smaller portfolios < \$500,000 this column is headed "+ \$" and gives the figure in single dollars rather than thousands of dollars.

Make sure that your risk calculator settings are adjusted to values appropriate for your circumstances. The +\$K values for each stock should be regarded as a guide only and the risk calculator itself should be consulted for each purchase. This is particularly important since the former figure is based on the last traded price in your database which could be quite different from the actual current price or the price you intend to pay. The limit imposed by the cash available to purchase is taken automatically from your portfolio. If your cash balance is below zero it is assumed that you are not using the account facility and this limit is ignored. When your cash balance is getting low each successive additional purchase will alter the +\$K values for all other stocks.

Whenever there is a negative "+ \$" value this indicates that one of your criteria has caused the value of your holding to exceed the maximum allowed by your limits for that stock. (Negative values can occur naturally when the price of a holding grows significantly following initial purchase) Variables which affect this figure are:

- (i) maximum % of total capital allowed for any one holding total portfolio value
- (ii) maximum percent risk to total capital from any one stock (or all stocks if using Method 3)

- buy price
- stop price
- current price
- number of shares
- current value of holdings
- total portfolio value

(iii) maximum percent of average daily turnover allowed
20 day average money flow

(iv) available cash balance

Criteria (iii) and (iv) are similarly also ignored in the Risk Calculator itself if the daily turnover limit is set to zero or the available cash is negative respectively.

Values of the respective variables are automatically sourced from the risk calculator settings as well as figures from elsewhere on the portfolio summary screen and several of these will change from day to day.

5. The Three Alarms – Soft Stop

There are three Alarms (or Stops) available to alert you to price levels having been crossed for a particular security - Alarm above, Alarm Below, Alarm Below Soft. In the Alarm Below box in the F2 Notepad if you place a single number in this box this will be the normal hard sell stop. If you place after this number a slash followed by a second number eg 483/495 the second number will be the soft stop. Similar to the Alarm Below normal hard stop, if the daily low falls below this number, then a warning banner (purple instead of red) will appear at the top of any chart of that security. (If the 'Alarm on close' option has been ticked on the F2 notepad then it is the close of the day rather than the low which must be below the soft stop before the alarm is activated) A similar purple warning (for the soft stop) will be shown in the portfolio manager on the row corresponding to the security where the alarm has been triggered. The horizontal dashed line marking the level of the soft stop takes its colour from the cursor line and can be changed from the main menu "Format/Preferences/Graphics colours". The colours of the other two stops lines are taken the same as those of Candle up and Candle down.

Whether the Alarm on close box has been ticked or not will determine globally for all stocks whether it is the day's close or instead the extremes of the day's trading which activate the stops. This setting controls the behaviour for all three stops for all stocks. However, it is possible to override these global settings by placing an H, L or C after any of the numbers for any of the stops for any particular stock. (NB It is not case sensitive and h, l or c will do)

For example, if the 'Alarm on close' option is not ticked then it is the day's high and low respectively that will determine whether the 'Alarm above' and 'Alarm below' (including the Soft stop) are triggered. However, if we set the alarms, say, as follows:

1. Alarm above 163
2. Alarm below 147/152c

the 'C' after the soft stop means that the soft stop will only trigger if the day's close is below it while the other two are still activated by the extremes.

You can use any of HLC for any of the stops even using an L in the 'Alarm above' or an H in the 'Alarm below' Some examples are as follows:

1. Alarm above 163 163h 163l 163c
2. Alarm below 147 147/152 147/152c 147c/152 147h/152 /152 /152c

6. Auto Envelope

Moving Average Envelopes are by default created according to an automatic calculation that determines the percentage width of the bands. This calculation is based on the bands enclosing at least a certain percentage, say 95%, of bars completely within the envelope. Whenever the MA envelope option is requested 'Auto' will be displayed in the box for the 'Percentage band='. The automatic calculation can be overridden if preferred by replacing this with a specific number for the percentage band required.

You can alter the number specifying the default maximum percentages of the bars say 5% that can extend out of the envelope by calling up the 'Default Parameters for Indicators' dialog box and entering say '5' in the 'Band' field for 'MA Envelope'. This will ensure that no more than 5% of bars extend out of the envelope.

7. Accessing Fundamental Information from the Internet

You can quickly access extensive financial information for any company from the internet.

From the currently active chart you can just press Ctrl+F2 to retrieve information for that company from the Financial Times website (FT.com). Holding the Ctrl key while clicking the corresponding F2 Notepad toolbar button will achieve the same result.

When in the portfolio manager also using the Ctrl key with the F2 Notepad toolbar button will allow you to access this information in a similar way for the currently highlighted company in the main summary screen for your portfolio.

8. User Supplied Fundamentals

Some users have a requirement for more extensive fundamental information than the basic measures provided by Database Manager. We have therefore enabled Insight Trader to optionally utilise additional fundamental information sourced by the user and presented to the program in the form of CSV files that are placed in the\WORKING\CSVFILES folder in the relevant database – usually WINIT\WORKING\CSVFILES.

This information can be displayed within the program - and in some cases be used to calculate additional fundamental values and used in searches.

This information may be sourced from broker's websites, other websites, other software, generated by the user or manually input by the user. Because the same fundamental measure may be calculated by different people in several different ways, the various sources may provide very different values for the same nominal quantity. Users now have the freedom to choose whatever source best suits their requirements.

This extended information is presented to Insight Trader by the user in the form of up to 6 CSV files that are dedicated to specific fundamental measures, up to 11 files that can override values or populate the vacant positions in the F2 notepad and up to a further 9 CSV files that are general in nature and able to display any information.

This facility is provided as a specialist functionality for those users requiring extended fundamentals and who are competent to obtain and utilise CSV files. You will find instructions for implementing this feature under "Help/User supplied fundamentals".

9. Automatically Importing Transaction Lists from Brokers

You can import, into your portfolio, transactions listed in a CSV file that you can download from your broker. Specifically you can automatically import BUY transactions from such a CSV file into a new or existing portfolio. This can be achieved under "File/Import transactions" from the main Portfolio menu.

This facility is particularly useful when starting from scratch to enter into the Portfolio Manager a portfolio that may have been in existence for many years. For example, decades of transactions can be imported within a few seconds, without typographical errors, that would have otherwise taken many hours to enter manually.

Unfortunately there is a conceptual problem with SELL transactions in that any one Sell transaction needs to be linked specifically to one or more individual BUY transaction parcels. This is a matter of arbitrary choice for the user and cannot really be done automatically. Furthermore a list of BUY and SELL transactions from your broker only provides part of the total holdings for any one security. Therefore the list of transactions for any one security may include SELL orders for more units than the total units available from the BUY orders in the list. This situation can arise as a result of there being more units actually held than would be indicated just by the sum of the number of bought units listed in the broker file. Examples of such additional unlisted acquisition transactions that will never appear on your broker's list include the following:

- IPOs
- Exercising of rights entitlements
- Exercising of options/warrants
- Dividend reinvestment
- Splits
- Reconstructions
- Merging Code changes
- Final payments on Calls (leading to code change from say TLSCA to TLS)

The CSV file must have the same format as the transactions CSV file "contractnote.csv" downloadable from the Commsec site:

Contract Number, Trade Date, Buy / Sell, Stock Code, Units, Average Price, Brokerage, Net Proceeds, Settlement Date, Contract Status

eg:

```
48120000 ,21/12/2010 ,B ,FGE ,16000 ,4.920000 ,78.720000 ,78798.720000 , 24/12/2010  
,Confirmed
```

If you are using a file from another broker with a different format then you can massage the data in the columns of that file to conform to the Commsec format above. Also note that the Commsec format consists of two header lines that are ignored during the import process so if you are using a file other than one from the Commsec site then ensure that two dummy lines exist at the top of the file before the actual transactions start. Furthermore the Commsec generated files have the most recent transactions at the top ie in descending date order. However, this does not need to be

changed if the records are listed instead in ascending date order as the program will allow you to specify the actual order during the import process.

To import transactions from a CSV file the process is as follows:

- 1) Back up an existing portfolio if this is the one you wish to import into. (This safeguards against any unforeseen problems arising)
- 2) If necessary massage the file to conform to the Commsec standard outlined above if the file is not directly from the Commsec site.
- 3) Delete any transactions from the file that may have already been entered into the portfolio to avoid duplications. Sale transactions can remain in the file as they are ignored.
- 4) Place the file into the WINIT folder.
- 5) Select "File/Import transactions" from the main menu
- 6) Enter the File name eg "contractnote.csv"
- 7) Enter the number of the relevant Broker from the portfolio file
- 8) Enter the number of the relevant Account from the portfolio file
- 9) Click OK
- 10) Then specify whether the dates of the transactions listed in the file are in ascending or descending order.

After the BUY transactions have been imported then other transactions such as the SELL transactions and any of the non-listed acquisition transactions specified above should be entered manually in the date order in which they occurred.

Finally non-security account based transactions like interest received, bank fees, expenses, interaccount transfers etc should be entered into the Account Transactions dialog.

10. Reconciling Bank Accounts with the Checkboxes

It is easy to reconcile your bank accounts using the system of checkboxes. In the account transaction dialog you will find checkboxes against the entry for each transaction. To reconcile an account click on the row (but not the checkbox) corresponding to the date for the final balance on the bank statement for your account (or the last entry before this date). Then uncheck any boxes above this line for transactions that have not been processed yet as indicated in your bank statement and of course also ensure that all processed items are checked. Unchecking a box will prevent the associated amount being added to the running balance. When you have done this for all outstanding transactions if the Balance shown on the dialog at the cursor bar corresponds with the Balance shown in your bank statement then your account reconciles to that date.

All transactions prior to the first in the list ("Format/Hide Transactions closed before date range") are assumed to be reconciled (ie checked).

The balance shown in the Balance column at any date is obtained by adding all prior transaction amounts that have been checked. However, the balance shown in the Balance edit box at top right is the total sum of all transaction amounts up to the final entry irrespective of their check state.

The position of the cursor (corresponding to the date you have last reconciled) is saved along with any transactions that have been unchecked and therefore outstanding. However if you move the cursor bar from the reconciliation row before exiting the dialog then it will reappear at this new position when you re-enter the dialog.

Please note that the list will move bodily in the window space available so that the reference cursor default position displays at the bottom of the window so that you can see earlier transactions above that may need to be unchecked. The list may appear to jump suddenly. Make sure therefore that you have first clicked the required cursor default position by highlighting the row (not the checkbox) that you wish to appear at the bottom of the window.

These cursor bar positions and outstanding transactions are saved for all your accounts and will reappear whenever you access the Account Transactions dialog for that particular account at a later stage.

By clicking the Date column header button you can toggle all displayed checkboxes to be either all checked or all unchecked as follows: Positioning the cursor bar on a particular row in the list and clicking the "Ck/Uck Date" column heading will check or uncheck all rows below the cursor bar. Control clicking this heading will toggle checks for all entries at and above the cursor bar.

Any new transactions or edited transactions will appear unticked.

If your Portfolio End Date is not set at today's date you will still be able to check and uncheck boxes as above but these checks will not be saved. There is a warning message to this effect that appears in this case when you access the Account Transactions Dialog.

There is a limit of 100 for the maximum number of unreconciled transactions that can be saved for any one account. Later transactions above the 100 limit will be saved as checked.

When you back up a portfolio using "File/Backup a portfolio" the check and reconciliation status is backed up at the same time.

11. Running Multiple System Tests against Multiple Securities as a Single Batch

An additional Systems procedure enables you to run profitability tests in a batch for a number of systems for a range of securities as a single operation. The systems to be tested should be forced to the top of the list of systems by adding spaces to the front of their titles. The list of securities to be tested should be available in either a standard LST file eg 'ASX200db.lst' or one created for the purpose.

You first need to set up your trading conditions which will be the same for each of the systems to be tested by selecting 'Systems/Setup profit tester' from the main menu. Then also from the main menu select 'Systems/Run profitability batch' and specify the reference file containing the securities to be tested, the number of systems (from the top of the list) to be run for each security, the start date and end date for the test period required. If the security history for any security commences after the start date then it will be tested over its full historical time span.

The results of the test are tabulated with the various systems running horizontally across each row and the different securities running vertically down the columns. The results are expressed in percentage profit achieved at the end of the period for each combination and the system with the maximum profit for each security highlighted. If the the 'Buy and Hold' return exceeds the maximum profit for the systems for a particular security the Buy and Hold figure is also highlighted. An average value over all securities for each system is provided at the end of the table together with a count for each system indicating for how many securities it provided the maximum profit.

As an example the 500 stocks in the All Ordinaries index were each tested for profitability using 20 systems in one operation that took a total of 12 minutes to perform. This represents 10,000 individual profitability tests.

12. Encrypt Sensitive Portfolio Document Files

For security of sensitive portfolio document files such as scanned bank statements you can easily encrypt these as they are being dropped on to the Account Transaction dialog. It is necessary that WinZip be installed in the 'Program Files' folder along with its "commandline addon". These applications can be downloaded from 'www.winzip.com' for about \$40. Tick the relevant checkbox in the Format/Preferences dialog of Insight Trader to enable this feature and configure it as on. It may also be temporarily enabled and disabled for the duration of a session from the Format menu of the portfolio manager window.

Drag and drop files directly on to the Account Transaction dialog itself when you will be asked for the name of an existing or a new WinZip file to which to add it. You will be prompted to supply a password for the encryption for each file dropped.

The other dialog for which documents can be encrypted is the main portfolio dialog when files can be dropped on to individual securities. This allows you to encrypt contract notes and other documents relevant to your trading of those individual securities.

Should you wish to encrypt many files at the same time using the same password then click the Docs button and then select all files required from the source folder and drag and drop them all together on to the appropriate Zip file.

To retrieve an encrypted document click the docs button on the Account Transaction dialog or the main portfolio dialog and double click the zip file that contains the required document. Then double click the document and enter your password when requested.

It can be a useful form of organisation to create a separate zip file for each financial year.

13. The Spiderweb Toolbar Button

The Spiderweb toolbar button that accesses the webupdater can be used with the Shft, Ctrl and Alt keys to perform certain specialised tasks as follows:

Alone - Downloads anything that needs downloading (as before)

Alt - Reprocesses the already downloaded Database Manager

Shft - Forces a re-download of the latest Database Manager

Ctrl - Forces a download of the latest Program files.

Only use Ctrl with the Spiderweb button if you are happy to trial the latest update to the program as we often upload beta versions for our beta testers to trial the changes before release to the general public. Updates released to the general user base will come down automatically when you click the Spiderweb alone. Clicking this every week will keep your program and Database Manager up to date.

14. Exporting to Excel Selected Columns from Portfolio Summary and Accounts

Portfolio Summary

You can export to Excel selected columns from the Portfolio Summary listing. You can choose any number of columns in any order that you wish and you can choose to include or exclude the column headings. The default is to export all columns in order together with headings.

To generate this file you just need to press the Print button on the main toolbar to create it. If you do not want a printed report as well then just back out of the print preview screen that appears. The file will appear in the "WORKING\EXPORT" folder as PfolioSummaryLV.CSV that can be directly imported into Excel.

If you wish to customise the columns to be exported select "Edit/Configure Summary CSV export" from the main portfolio menu and follow the prompts.

Account Summaries

The account statements for your bank transactions can similarly be exported using the print button on that dialog box with the file name AccountLV.csv. Any transactions that are checked will be indicated by a "#" character preceding the first column. These checks are used to assist in reconciling your portfolio accounts with your bank statements.

If you wish to customise the columns to be exported select "Edit/Configure Account CSV export" from the main portfolio menu and follow the prompts.

Filter HILITE list

A similar CSV export facility is available to export to Excel selected columns from the HILITE filter file (or any other suitable LST file). The Print button on the dialog box again performs the export function and you can back out of the next printer dialog box that appears if you do not also require a printed copy.

The file will appear in the "WORKING\EXPORT" folder as HiliteLV.CSV that can be directly imported into Excel.

If you wish to customise the columns to be exported select "Edit/Configure Hilite CSV export" from the main Insight Trader menu and follow the prompts.

15. Top line of Portfolio Manager Assess against Benchmarks

The top line of the Portfolio Manager Summary screen allows you to monitor the overall performance of your portfolio covering the period of the date range as specified by the Start date and End date.

You have two display options for this top line either Growth Rates or Cumulative Growth compared with Targets and Benchmarks. These options are toggled by clicking the *GrowthRates/Benchmarks* button on the Summary screen. All figures have been adjusted for any capital inflows and outflows and all growth rates are expressed as compounding values.

Growth Rates

With this first option you are shown the Period \$ Growth in the total Portfolio [**Portfolio =**] and its corresponding average annualised compounding Growth Rate [**PG Rate =**]. Further along is the Period Growth in Securities alone [**Securities =**] and its corresponding average annualised compounding Growth Rate [**SG Rate =**].

The difference between the Securities figures and the Portfolio figures is that the Securities values are calculated excluding consideration of any cash while the Portfolio values include any cash as an integral part of the total portfolio.

Cumulative Growth Performance monitored against Benchmarks

The menu item "Format/Set Performance Benchmarks" in the Portfolio Manager allows you to set a Benchmark Index such as the All Ordinaries Index (or the All Ordinaries Accumulation Index) or whatever security code that you wish to compare your portfolio's performance against as well as a Target Growth Rate (compounding) against which you can compare your portfolio's performance.

The default Benchmark Index is "XAO" and the default Target Growth Rate is 12% pa compounding.

This option allows you to compare the cumulative performances over the current date range of both your total Portfolio and the Securities alone against the cumulative growth that would be expected from the Target growth rate you have specified and also what your Benchmark index has achieved over the same period.

The figures for cumulative growth shown from left to right are the portfolio \$ period growth [**Period Growth =**] and the portfolio percentage cumulative growth performance compared with the Target cumulative growth [**Portfolio = (Target =)**]. Then comes the percentage cumulative growth for the securities alone compared with that of the Benchmark Index [**Secur = (B'Mark Index =)**]

The figures for the securities alone is particularly useful if you wish to compare the cumulative percentage growth of the particular securities you have chosen with the cumulative percentage growth of the broad market index that you are using as a benchmark. For example, if the cumulative percentage growth of your securities is say 40% and that for your benchmark index is

20% then you know that you have picked stocks that on average are outperforming the index by a factor of 2.

This information is particularly valuable at the start of a bull market when there is a large percentage of the portfolio in cash and you wish to know how well the stocks that you have chosen are performing relative to the average for the broader market.

Daily Change in Portfolio Value

At the end of the top line of the Portfolio Summary screen showing Portfolio Totals in both of the above options is displayed the change in the total value of the portfolio holdings at the portfolio end date from the total value of the same holdings the day before the end date expressed as both \$ values as well as the same total change expressed as a % of total portfolio value.

In the case where stocks are bought or sold on the portfolio end date the change is calculated as though those transactions had been carried out at a price equivalent to that of the close of the day before. Since the change is calculated on the change in values of the holdings rather than their liquefied values then any change in the notional selling costs resulting from changes in value are not included. If required the liquefied value change from the day before can be obtained from the equity curve chart for that portfolio.

The column widths for the Portfolio Manager main summary screen can be adjusted and will be maintained within and between sessions. To return the column widths to their default values just click "Format/Reset column widths to default" from the main portfolio menu.

16. Stop Loss – Stop Float

"Stop Loss" we take to mean the difference in value between what you paid for a stock (or portfolio of stocks), including transaction costs, and what you would receive, after transaction costs, if you sold out the securities at their stop price levels.

"Stop Float" on the other hand we have defined to be the difference in value between what your securities are currently worth, after any notional disposal costs, and what you would receive, less any disposal costs if you sold out the securities at their stop price levels. It can be thought of as the amount by which the current value of the portfolio "floats" above its stop value and continuously changes with time.

At any time Stop Loss may be greater or less than Stop Float depending on whether prices have declined or risen since the purchases were made. The Stop Loss value changes only infrequently with time when the stop price changes while the Stop Float changes continuously as current prices fluctuate.

The main Portfolio Summary window shows the portfolio Total Stop Float value underneath that for the Total Stop Loss. In addition the Stop Loss values for individual securities listed in the table underneath can be toggled to Stop Float values instead by clicking the button on the Portfolio Summary screen "Show Stop Loss/Float".

Total Portfolio Stop Loss / Stop Float

The percentage risk for all securities combined - as a percentage of the securities value alone - is shown in brackets in the panel above against the Total Stop Loss and Total Stop Float.

The % figure for Total Stop Loss is based on the % of the total holding cost value for the portfolio. The % figure for Total Stop Float is based on the % of the total current securities value.

However, if "Format/Display %p %r as % of Total Portfolio inc cash" has been ticked then % Total Stop Loss is based on (total holding cost + cash) and % Total Stop Float is based on (total current securities value + cash).

Stop Loss / Stop Float for Individual Securities

The main Portfolio Summary screen has an additional column - %r (percent risk) - following the Stop Loss (/Stop Float) column that displays these dollar values for each security as percentages of either the total current portfolio value (excluding or including cash) or the value of the individual security itself.

That is the percent risk column (%r) following the Stop Loss (/ Stop Float) column can display the Stop Loss or the Stop Float dollar values for each company holding expressed as a percentage of the holding cost or the current value respectively of each individual **security** rather than those of the total **portfolio** itself. To do this you need to tick the option: "Format/Display %r as % of security value/holding cost".

That is it will show either (Stop Loss/Holding Cost) or (Stop Float/Current Value).

If "Format/Display %r as % of security value/holding cost" is unticked while "Format/Display %p %r as % of Total Portfolio inc cash" has been ticked then % Stop Loss is based on (total holding cost + cash) and % Stop Float is based on (total current securities value + cash) as in the section above.

17. Format / Preferences - Control Information Displayed on Chart

Under Format/Preferences you will find a section 'Display info on chart' at the bottom left of the dialog. This allows you to customise the various pieces of information that you wish to show on screen. It enables you to reduce clutter by omitting those items you do not need. These optional items include:

- 1) Splits/issues lines
- 2) Alarm levels
- 3) Indicator values on the subchart
- 4) Scale 0.00
- 5) %/price change
- 6) Ex dividend
- 7) % off High/Low

These options allow the display of:

- 1) The vertical dotted Splits and Issues lines
- 2) The Alarm banners and Alarm Above, Below and Soft stop lines
- 3) The numerical values of the subchart indicators
- 4) forces the display of 2 dec places for databases in dollars. It also forces display of full numbers, for all databases, rather than the scientific 'E format' (eg E+8) that reduces very large or very small numbers to manageable size.
- 5) the percentage price change in the caption bar of the chart window
- 6) the Ex-Dividend in the caption bar of the chart window
- 7) (H-58%) (L+10%) (H-S=35%) (C-S=22%) These provide a percentage distance that the current price is below a recent High and above a recent Low, and the distance that your hard stop is away from the recent high and the last price traded. The period for the recent high and low is set as a number of calendar days prior to the date of the last period in the file. By default all options are on and the period for determination of the last highs and lows is 720 calendar days.

18. Commsec Today File

Intraday Updating of Charts Using Commsec Watchlist Files

This method involves creating 15 individual watch lists of the 500 codes consisting of no more than 35 codes each and then grouping these into four Watchlist Groups composed of no more than 4 individual watchlists each. Then whenever you wish to update your charts during the day these four watchlist groups are downloaded with specific names viz “Watchlist, 1Watchlist, 2 Watchlist, 3Watchlist” before the Sunny Day button is clicked to create the Today file prior to charting.

Creating the Watchlists

Obtain a list of the top 500 stocks by clicking on the yellow light bulb toolbar button and click on the down arrow and select ASX500DB and then OK. Either print out the list or resize it and arrange it on your screen to sit beside the Commsec Window.

Create 15 Commsec watch lists titled Watchlist 1, Watchlist 2 Watchlist 15 by typing in the 500 codes such that there are no more than 35 codes in each list.

Setup 4 Watchlist Groups each consisting of no more than 4 of the 15 Watchlists generated above
Name the Watchlist Groups:

- Watchlist
- 1Watchlist
- 2Watchlist
- 3Watchlist

Updating your Charts

Now you have setup the watchlist groups you can download them whenever you want by downloading the Watchlist Groups with the following names into the WINIT folder:

- Watchlist
- 1Watchlist
- 2Watchlist
- 3Watchlist

Click the “Sunny day” toolbar button as before and chart.

As Watchlist 15 only has about a dozen stocks in it you can add other codes for companies that interest you that may not be in the top 500.

As the Watchlist Group “3Watchlist” only contains 3 watchlists instead of the maximum of 4 you might want to add another containing other stocks or even indices.

You can download more watchlists if you need to up to an (Insight Trader) maximum of 10 (ie Watchlist, 1Watchlist,9Watchlist).

NB Over time some codes may become obsolete so the individual watchlists will need to be edited to remove these codes and if necessary replace them with new codes.

Intraday Updating of Charts Using Commsec End-of-Day Files

To Set Up Datacapture

- Download the file “CommsecEOD-ID.exe” from the following link to your desktop
<http://www.insighttrader.com.au/downloads/CommsecEOD-ID.exe>
- Double click the downloaded file to extract the contents to your WINIT folder and exit
- Delete the downloaded file “CommsecEOD-ID.exe” from your desktop
- Start Windows Explorer and browse to the folder ...WINIT\ Commsec EOD-ID
- Double click Datacapt.exe in the folder
- Click the first toolbar button in Datacapture and with the dot in Vestdata click Reset Data Provider
- Answer No to install historical data
- Set ASCII source path by browsing to WINIT\Commsec EOD-ID folder
- If necessary change IT destination path to your ...\\WINIT\ folder
- Click OK and exit Datacapture

To Set Up Shortcut to EXE file

- Right click on the file CSEOD-ID.EXE and select copy
- Find a free area on your desktop and right click and select “Paste shortcut here”
- If you wish drag the shortcut to your taskbar (This makes it very easy to update the downloaded ASCII files as the shortcut is always visible)

To Use

- Download the EOD file in IT format from the Commsec website to your “Commsec EOD-ID” folder
- Either single click the shortcut on your taskbar or double click the shortcut on the desktop
- This will automatically run Datacapture and exit.

You are now ready for charting

19. Importing Data from Yahoo

Updating your overseas indices from the Yahoo finance site

If you wish to update your overseas indices (such as the Dow, S&P500, FTSE and other overseas indices) early each morning so you can view your updated charts before your data provider is able to distribute their own information then create an account on the Yahoo finance site. Then:

1) If you do not already have one you can create your own "Portfolio" of indices on the Yahoo site. Below is a list of important overseas indices that you can copy and paste into the "Symbols" box under the heading "Step 2: Ticker Symbols" on the Yahoo site the following codes:

```
^DJI ^DJA ^DJT ^DJU ^GSPC ^IXIC ^BVSP ^NYA ^GSPTSE ^MERV ^MXX ^IXX ^HSI ^N225 ^SSEC  
^SSEA ^SSEB ^AORD ^JKSE ^KLSE ^NZ50 ^STI ^KS11 ^TWII ^BSESN ^CCSI ^TA100 ^FTSE ^ATX ^BFX  
^FCHI ^GDAXI ^AEX ^OSEAX ^MIBTEL ^OMXSPI ^SSMI ^SMSI
```

2) If you use VestData as a data provider then there is already in your WINIT folder a translation table of indices from the Yahoo codes into the codes that VestData use. If you have a different data provider then you will need to edit this translation table "yahoocodes.txt" to correspond to the codes used by your data provider. The field on the left of each line is the code used by Yahoo while the one on the right should be the corresponding code used by your data provider.

You are now set up to go.

Then each day

1) Download your Yahoo portfolio of overseas indices into your WINIT folder using the default name "quotes.csv".

2) Click the "Sunny day" button on the main toolbar to update the files

You are then ready to chart.

(ASCII files will be saved in your Datacapture ASCII folder with names like yymmdd_yahoo.txt)

You can obtain historical data files from the Yahoo finance site Datacapture has been altered so that you can now easily import these Yahoo historical data files into Insight Trader.

20. Miscellaneous

A button "Portfolio equity" has been added to the "Add new chart" dialog box to allow you to quickly select a list of available portfolio equity curve files.

A systems function BEHAVR(D) allows you to search for these stocks. Remember that a steady falling price will also give rise to a high Behaviour Index Value. The system:

```
BEHAVR(D):>:90  
AND VELOCITY(D):>:60  
AND MFLOW(20,D):>:100000
```

should yield stocks that are rising steadily at a fast pace and have reasonable turnover

To reset (ie delete) all EMF files a new menu item appears on Utilities menu "Reset all EMF files". This deletes all EMF files in the current WORKING\EMF folder and resets the numbering back to chart00.EMF.

Moneyflow on the F12 data box is a good proxy for average daily turnover and is calculated as an average of the last 20 traded days irrespective of whether the file is compressed to weekly or monthly. Also displayed in brackets after this figure is the minimum MoneyFlow recorded for any single day in that 20 day period. However, if it used as a subchart indicator then it is affected by the compression state of the file where it is calculated by summing weekly or monthly figures. Money Flow for a period is measured as period volume times period closing price and hence the longer the period the less accurately will it reflect true turnover so daily compression should be used wherever possible. Because Money Flow varies widely over time, in order to get a better indication of this variation you should view it as a subchart indicator.

Pressing ENTER from the front screen will refresh all charts in the current arrangement and update them with any data additions to the database.

An option 'Kill all Today Files' is available under the Utilities menu to remove the intraday files created from downloading the relevant files from the Commsec or ASX sites during trading.

F12/Ctrl F12 functions can be interchanged so the most frequently used option can be invoked without also pressing the Ctrl key. From the main menu check or uncheck 'Format/Reverse F12/Ctrl F12'.

Turnover in F12 is now specified as 'today', 'this week', 'this month'

Attempting to resave a Filter report displaying in a Highlighter dialog will immediately take you to the Filter report dialog to allow you to sort and resave from there to maintain the integrity of the filter list.

A button "Get data" has been added on the List Highlights dialog to allow you to retrieve fundamental and other data for the list of securities currently displayed.

The 'Chart all' button is now the default on both the Highlight and the Filter list so pressing ENTER immediately it appears will chart all codes in the list.

In the Portfolio Manager if 'Format/Show all sold securities' is checked then all sold securities IN THE CURRENT DATE RANGE only will be displayed. Previously all sold securities back to the very start of the portfolio were displayed with this setting. To display all these it is now necessary to click the Reset button on the main portfolio summary screen to expand the date range out to encompass that of the entire life of the portfolio.

Warnings have been added in the Portfolio Manager to alert you to the possibility that you may have entered an incorrect date on a transaction form. You will be alerted if the date that you have entered is prior to the 'Start Date' of the portfolio or after the 'End Date'. These dates are set on the main portfolio summary dialog. If you want a tight alert you can set them temporarily to a narrow date range while entering a lot of data and then change them back to a more convenient setting later. You might find however that a financial year gives both sufficient protection while also providing a convenient date range to work in normally.

The Trend Indicator calculation has been changed to be consistent with other growth calculations in the software. It is now expressed as an annualised compounding rate. This has the effect of increasing its value when the MA is rising and decreasing its value when the MA is falling. The corresponding Systems function Trend(n1,n2,D) has also been changed in the same way.

You can remove any main toolbar button (except the Exit button) that you do not require by holding down the Shift and Control keys and then clicking that button. You can restore all buttons to the toolbar by holding down the Shift and Control keys and then clicking the Exit toolbar button. Buttons so removed will remain hidden even when the program is restarted.

When using foreign databases eg BodhiOne, Metastock or QuotesPlus a list of all (or selected codes) can be generated from the Load New Security dialog (2nd toolbar button). When the Select button is clicked the list of codes showing in the table below are written to the standard list file SELECTED.LST. This list can then be used as the reference list for filtering in the System tester, autorunning or charting.

Another submenu has been added to the main menu to provide preset time ranges from 1 months to 15 years. Click Zoom and then select time period. These options can also be accessed via the keyboard eg: For a 3 year period - press Alt+3. For a 5 month period - press Ctrl+Alt+5

NOTICE1, NOTICE2 and NOTICE7 can all be accessed directly from under the Help submenu.

We are providing lists of the top 100, 200 and 500 stocks as ASX100db.LST, ASX200db.LST and ASX500db.LST as standard lists in the dropdown list box that appears when you attempt to select a list. Also made available are the list of codes in the ASX Small Ords index ASXSmallOrdsdb.LST and the lists of ASX subindices and sector indices, ASXSubIndicesdb.LST and ASXSectorIndicesdb.LST. This facility is only available for Database Manager subscribers.

You can move backwards and forwards within your saved charts by pressing + and - keys. This is conveniently done on a desktop numeric keyboard but with a laptop you need to press the Shift key as well as the + key. Accordingly we have also enabled the Space Bar to perform the same function as the + key when moving forward through saved charts. Use the - key to go backwards as before.

When running the Profit Tester you can chart the BUYS, SELLS and now also STOPS by overlaying the event files 09,10 and 11 respectively. It is convenient to do this on a saved chart set up for the

purpose when you are testing systems. Whenever the chart is recalled the buys, sells and stops lines will be automatically updated to reflect those for the last system test run.

Volume spill has been expanded to include its previous function. Pressing S when a chart is showing will cycle from Vol to Log vol to Volspill.

Another document repository within the program has been included and this is accessed with a new DOCS button on the main toolbar. It is for general investment documents not necessarily associated with either specific codes or specific portfolios or specific bank accounts. Just drop any file on to the main Insight Trader program window to store it. The new DOCS button on the toolbar will allow you to retrieve it.

You can extend the alarm lines from the short dashed line on the right hand side of the chart to span the whole time range by toggling with the tilda (~) key. (Note that the shift key is not required) This allows you, for example, to compare your stop price with patterns providing historical support and resistance.

Checking the menu item 'Format/Display stock change as \$ not %' will alter the Change column in the Portfolio Summary list to show \$ change rather than a % change for each stock. This figure relates to the displayed end date of the portfolio rather than the last date in the whole file. Where there has been no trade in certain stocks for the portfolio end date the change will be shown as '-0-0-0-'. A new button on the Portfolio Manager summary screen "Chng % / \$" toggles between the two modes.

When entering data on the Portfolio Transaction Dialog you can set the program to autofill the transaction date box as well as the paydate box. The transaction date will be set to today's date if no other transactions have been entered during the session but otherwise will be set to the last transaction date used. The Paydate box will be filled with the T+3 date that is three business days after the transaction date. If there are intervening holidays (apart from weekends) you will have to manually edit the Paydate accordingly. To turn on the date autofill from the main menu click:

"Format/Autofill trans/paydates for T+3"

In the caption bar of each chart are four figures for example:

(H-58%) the percentage that the current price is below a recent high

(L-10%) the percentage that the current price is above a recent low

(C-S=25%) the percentage difference between the current price and Stop price

(H-S=32%) the percentage difference between the recent peak and the Stop price

The period for the recent high and low is set as a number of calendar days prior to the date of the last period in the file.

In the portfolio manager the "Halt" toolbar button allows you to suppress automatic recalculation of the portfolio following every entry. This is useful for portfolios with a very large number of transactions where recalculation can take a long time. If you depress this button it will cause recalculation to suspend while you are entering a lot of data. After you have finished then toggle the button off again and recalculation will occur once rather than after every new entry.

The first column of both the HILITE list and Filter Reports contain sequential integers so that this column can be used for ranking according to the default column on which the list is first ordered. If the list is reordered by clicking on one of the column headings the ranking column will also be

reordered and will no longer be sequential. If it is desired to re-rank the new list sequentially then resave the list using the "Resave" button and reload the HILITE list when the ranking numbers will be reassigned sequentially according to the new order.

The Systems Filter Report HILITE.LST is now ordered on Velocity rather than the 10 day percentage momentum as was previously the case.

The Risk Calculator can be accessed from the main charting screen avoiding the need to go into the Portfolio Manager each time it is required. However, a portfolio must have been loaded initially before this can be accessed. From the main menu choose: "Utilities/Risk Calculator".

A new report Portfolio Statistics is available from the Portfolio Reports submenu and provides a range of statistics on the currently loaded portfolio that will be of interest to both traders and investors.