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Baruch Hosts Technical Analysts Meeting

Market Technicians Association Holds First Meeting Following Sept. 11 Attacks

By Jonathan Tao
Business Editor

On Monday, November 26, Baruch College hosted a meeting for the Market Technicians Association (MTA). The MTA which is an association of market analysis professionals whose goals includes the educating of the public and business community about the use, value and limitations of technical research.

The event, attended by students, faculty and members of the MTA was coordinated by Avner Wolf, chair of the Economics-Finance Department. In an effort to establish deeper links with the MTA, Wolf invited the association to hold their first meeting at Baruch since its offices were destroyed in the September 11 terrorist attacks. The meeting, held on the 7th floor Conference Center in the William and Anita Newman Library Building was followed by a guided tour of the Subotnick Center by Manager Christopher B. Ruemke.

The panel discussion addressed the approach of technical analysis. Each panelist presented their own methodology in technical analysis. ("technical analysis" is the study of prices, with charts being the primary tool).

The three MTA panelists were Ralph Acampora, President of the MTA, Managing Director, Global Equity Research, and



Following the panel discussion, attendees arrived at the Subotnick Center for a demonstration of the Reuters system by Chris Ruemke. (Photo/Subotnick Center)

investment and merchant bankers to advise and finance communications industry companies across the wide range of multimedia segments; and Walter Murphy, the first vice president and Senior International Market Analyst with Merrill Lynch, covering global equity markets, currencies, bond markets and commodities.

The speakers touched on a broad range of topics relating to the performance of the stock

to extreme short term" in regards to certain DJIA stocks such as Citigroup and Applied Materials. He emphasized that "what we have to do is get back to individual stocks" in regards to analyzing performance. Mr. Acampora seemed bullish on tech stocks as well. "The bear market for technology [stocks] is over," he said. I can't say that for a 100% of the blue chip Dow stocks."

been seeing are more "technical" or understandable in respect to the technical analyst. Also, the amount of technical analysis being done has increased. He stated that companies such as JP Morgan Chase have asked his company to co-manage a sizable account with them. "We are being asked to do more technical analysis than we ever have," said Dorland.

The last speaker, Walter Murphy, provided the audience with a PowerPoint presentation outlining his technical analysis discipline which ran the gamut: Elliot Wave counts, fibonacci support levels, momentum, intermarket analysis, and technical analysis of fundamental indicators.

Following a round of libations, the event culminated with a demonstration of the Reuters system by Christopher Ruemke, manager of the Subotnick Center located on the first floor of the 25th street building. Members were shown the center's state of the art, real-time trading environment and financial information systems. Acampora heralded the center as "one of the very few universities around that has a similar [trading] environment".

It was also announced that the Market Technicians Association will be holding more meetings at Baruch the following year. For more information about the MTA please contact their website at www.mta.org.

Economic Outlook

By **Sulexan Chery**
Contributing Writer

Listening to pundits like Louis Rukeyeser and his guests (*Wall Street Week with Louis Rukeyeser* on PBS - Channel 13 in Manhattan, Fridays at 8:30pm), you would probably start to believe that the economy is in an upswing. And for all intents and purposes, they may be right.

The lowest consumer inflation expectations since the 1950's lifted U.S. consumer sentiment in November, a boost that could mean holiday retail sales will be better than many have feared, according to a University of Michigan study. (U.S. consumer sentiment is an indicator of consumer confidence.) It showed that the sentiment index rose for a second straight month in November, to 83.9 from 82.7 in October. Economists watch consumer confidence as an early barometer of consumer spending which drives *two-thirds* of economic activity. Retail sales surged ahead at a record 7.1 percent pace in October, but the gain was led mainly by a record surge in auto sales as consumers took advantage of cheap or 0% financing. Excluding autos, sales grew by 1.0 percent in October after a 1.5 percent fall in September, according to Zdnet.com news. U.S. manufacturing activity declined in November but at a slower pace than in the prior month.

The November National Association of

Purchasing Management (NAPM) manufacturing index stood at 44.5, versus economists' expectations of 42.6. The November reading follows a very weak 39.8 reported for overall business activity in October. Index readings above 50 indicate expansion of activity and prices in the manufacturing sector, while readings under 50 denote contraction. The November NAPM business activity index suggests a small amount of growth in the overall economy, the report said. Construction spending rose 1.9% in October, the first monthly gain since April. The increase in construction spending well exceeded the forecasts of analysts polled by Reuters, who had expected a decline of 0.3%. In the aftermath of Sept. 11, New York reported a tourism rebound, as Manhattan hotels reported occupancy rates of about 75%, up from below 50% in late September.

Contradicting growing confidence that the recession is bottoming out, information coming from various government outlets support the notion of an ongoing recession. The Commerce Department reported that in October, personal incomes, suffering due to the layoffs following the Sept. 11 terror attacks, were flat for the second straight month, the worst showing in more than seven years. Also, the National Bureau of Economic Research declared that the U.S. economy technically entered a recession in March 2001. The NBER continued stating that "before the attacks, it is possible that the decline

in the economy would have been too mild to qualify as a recession. The attacks clearly deepened the contraction and may have been an important factor in turning the episode in to a recession."

"Economic activity generally remained soft in October and the first half of November, with evidence of additional slowing in most regions outweighing signs of recovery in a few districts," according to the Fed's "Beige Book," a report on economic conditions throughout its 12 reserve districts. The Beige Book, which is used by policy makers to set their stance on interest rates, suggests reserve-bank presidents are getting a more downbeat picture of the economy in their districts than the recent talk of recovery implies. The fact still remains that U.S. manufacturing is still in a downward slide. The Fed said that reports of declines in factory-related production, employment and new orders are typical at this point. Capital-spending plans remained weak, though firms in some areas said they would "hold the line" rather than cut spending further, according to the Fed.

Consumer spending was mixed, as most districts saw spending stay at or below pre-Sept. 11 levels. Sales of luxury goods fell and discount stores saw business pick up, as shoppers "sought value" and "extremely weak labor market conditions were reported by a major employment agency in the New York district," the Fed said.

The Christmas shopping season will be of paramount importance in providing an outlook on the economy for the new year and beyond. Economists watch consumer confidence as an early barometer of consumer spending which drives *two-thirds* of economic activity. If consumers feel prices will not rise much further, theoretically they would spend more now because the value of their dollar is greater now at lower inflation rate than at a higher one. A domino effect, called Trickle-down Economics, occurs as money spent circulates throughout various goods/service sectors and in turn the economy as a whole. Therefore because Christmas is the greatest shopping season, (unless you're cheap!) the magnitude of it will cause an effect on both economic expectations and quite possibly the U.S. economy itself.

Ultimately, depending on what side of the bed you wake up on, you could say the economy is in an uptick or in a steady decline. There is such a constant influx of information week-to-week from analysts, television, the web, to the Fed that you constantly must re-evaluate your opinion. To stay informed, keep learning about the different terms and reports put out by the government and private companies. It is most likely the only way to sift through the deluge of information and make sense of it all. By spending wisely and taking a positive outlook on the economy, you could influence the course of the

Auto Manufacturers Offering 0% Financing To Attract New Customers

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that have answered since Nov 16, 2001, said "Yes!" Rebates as well as phenomenal financing deals make this a favorable time to buy a car. In addition, falling gas prices make this prospect even more attractive. Sites such as Bankrate.com and Autoweb.com provide a wealth of knowledge, such as loan calculators and research tools for comparing prices, for the hesitant buyer. You must always, always,

QUICK FACTS

- * Toyota is offering zero-percent financing on 2001 Corollas, Tundras and 4Runners. The promotion ends Jan. 2, 2002.
- * Mazda is offering interest-free financing and no payments for six months on any 2001 Protege, Miata, MPV, 626, Millenia, Tribute and B-series trucks. The offer ends Jan. 2, 2002.
- * Suzuki is offering zero-percent financing for up to 60 months on 2001 models and zero-percent financing for 36 months on 2002 models. The offer ends Jan. 2, 2002.
- * GM is offering interest-free, 36-month loans on new 2001 and 2002 passenger cars and trucks. The discounts apply to Chevrolet, Pontiac, Oldsmobile, Buick, GMC and Saturn vehicles. The Chevrolet Corvette, Saturn VUE and Saturn L100 Special Edition and all Cadillac models are excluded from the promotion. The promotion began Nov. 19 and runs through Jan. 2, 2002.
- * DaimlerChrysler is offering interest-free financing on 2002 cars and trucks in its Chrysler, Jeep and Dodge divisions. Several vehicles are excluded from the interest-free promotion including the Chrysler PT Cruiser, Chrysler Prowler, Dodge