AIQ Opening Bell® Monthly

IN THIS ISSUE VOL. 9 ISSUE 2 FEBRUARY 2000

Feature

Sections

The *Opening Bell Monthly* is a publication of
AIQ Systems
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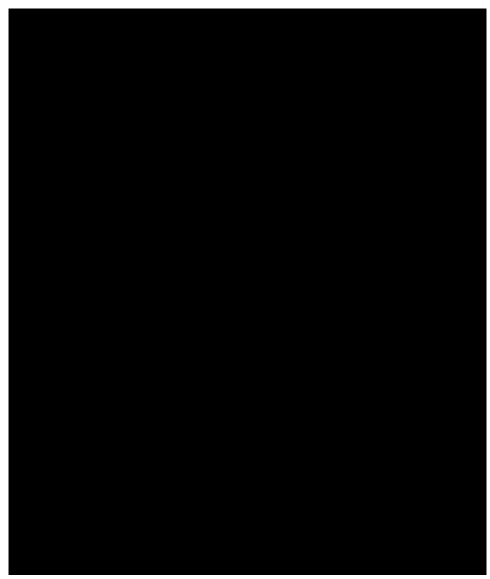
INTERVIEW

ROY BLUMBERG ON WHEN TO GET IN AND WHEN TO GET OUT OF THE MARKET

By David Vomund

This month we are pleased to present an interview with Roy Blumberg. Mr. Blumberg spent seven years as a market analyst for CNBC TV where he provided hourly broadcasts and commentary from the floor of the New York Stock Exchange. He is currently Vice President and Portfolio Manager for Sheer Asset Management. Sheer Asset Management has about four hundred million under management and blends growth and value investment styles to select a portfolio of mid-cap stocks. Mr. Blumberg can be reached at 212-599-6060. His email address is rblumberg@sheerasset.com.



Roy Blumberg

OBM: During AIQ's 1998 October seminar, the market was in a severe correction. Little did we know that the actual market low would take place during the seminar. As the keynote speaker, you were correctly bullish and you called the market low. What was it that told you it was the time to buy?

Blumberg: I am more of a top and bottom picker rather than a trend follower so I often go against the herd. There are many aspects in my analysis — I look at economic factors such as monetary policy and interest rates, I look at fundamentals and technicals, and finally sentiment indicators are used.

On the monetary side, a loosening monetary policy has a much faster impact on the stock market than when the Fed tightens. When the Fed eases, people know it means something and there is typically an immediate affect on equity prices. In October 98, Greenspan was starting to do the right things.

With the Fed cooperating, I assumed

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INTERVIEW *continued* . . .

we were in a bull market and so I looked at indicators to determine when to buy. Indicators are used in my analysis to find market extremes. Bull market extremes can occur when there are more than 500 NYSE stocks hitting new lows. Once the number of stocks hitting new lows is between 500 to 1000 and then begins to contract, the market is likely near a low.

OBM: How difficult do you find it to buy when everyone else is bearish and all the news reports are bad?

Blumberg: It is very easy if you previously made the correct call to become defensive before the correction. If you haven't felt the pain and punishment to the same degree that other people have, then you are looking at a buying point at the same time that the others are concerned with whether it is too late to sell.

Also, it is best to be a multiple position investor rather than all or nothing. When I see the extremes then I'll take positions, but usually in two or three steps. At a market extreme I'll put part of my reserves to work. More funds are moved when the market starts to stabilize and then a large part is invested when the market actually turns up. That way, if I'm wrong and the market extreme turns out to not be the market low, I still have a lot of reserves to come back at another point.

"It is best to be a multiple position investor rather than all or nothing. When I see the extremes then I'll take positions, but usually in two or three steps....if the market extreme turns out to not be the market low, I still have a lot of reserves to come back at another point."

This "weasel approach" to investing is effective and useful for just about everybody. No indicator is 100% accurate so it is better to try to be generally right rather than perfectly right. Trying to be perfectly right opens up the possibility of being perfectly wrong. When you try to be generally right you can spot an error that you've made and make the outcome much less severe.

OBM: You talked about how to call market lows. What technique do you use to call market highs?

Blumberg: Market tops are much harder to spot because they tend to be more long and drawn out. The first thing that usually happens is that the overbought/oversold indicators go to overbought levels, but this can happen many months before the top. After overbought readings, you look for the second sign of deterioration, which is usually the contracting of new highs. The market averages make new highs but the number of stocks hitting daily and weekly new highs begins to contract. The third sign would be an Advance/Decline Line that turns lower. At this stage the market averages may continue to move higher, but you've probably seen the high for most stocks.

Since it can take months for a market to form a top, it is even more important to exit in multiple stages rather than trying to call the actual high point. Selling in stages is easy because you can exit the positions that aren't performing well and keep those that are performing well.

"Since it can take months for a market to form a top, it is even more important to exit in multiple stages rather than trying to call the actual high point."

OBM: During your presentation at the AIQ seminar you talked about short-term trading and listed 12 trading rules. The first rule, and the one that you considered to be the most important, is to cut your losses fast. Can you explain why this is so important?

Blumberg: It's mathematical. A 50% loss takes a 100% gain to get even. It's too difficult to come back from large mistakes. When your losses are 10%, 15%, or even 20%, the amount that you need to recover is relatively minimal.

Big mistakes occur when people find reasons to hold a falling stock. But one of the best signals of whether things are going well with a company is to look at what its stock is doing. Very often the stock price falls before there are signs that something is wrong.

OBM: It sounds like you favor trailing stops.

Blumberg: That's correct. Especially after things have had a huge move. I use fundamentals and technicals in my analysis so if the stock has had a huge run and it can no longer be justified fundamentally, then a trailing stop is applied. This insures that you'll keep your gains yet allows you to stick with the stock as long as it keeps moving higher. I tend to use 15% trailing stops. It's not a perfect system but a perfect sell strategy doesn't exist.

OBM: What about initial stops?

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INTERVIEW *continued . . .*

What levels do you use?

Blumberg: It depends on the stock but it should be less than 20%. If the stock has a low volatility level, then a closer stop can be used. If it is a volatile stock, then 20% is appropriate.

OBM: There is a saying on Wall Street that no one ever got poor by taking a profit. Can I assume you don't agree with this statement?

Blumberg: I think that is one of the biggest falsehoods on Wall Street. A lot of people got poor by taking profits because that promotes a strategy of taking small gains and large losses. The successful trader is one whose gains are larger in size than the losses.

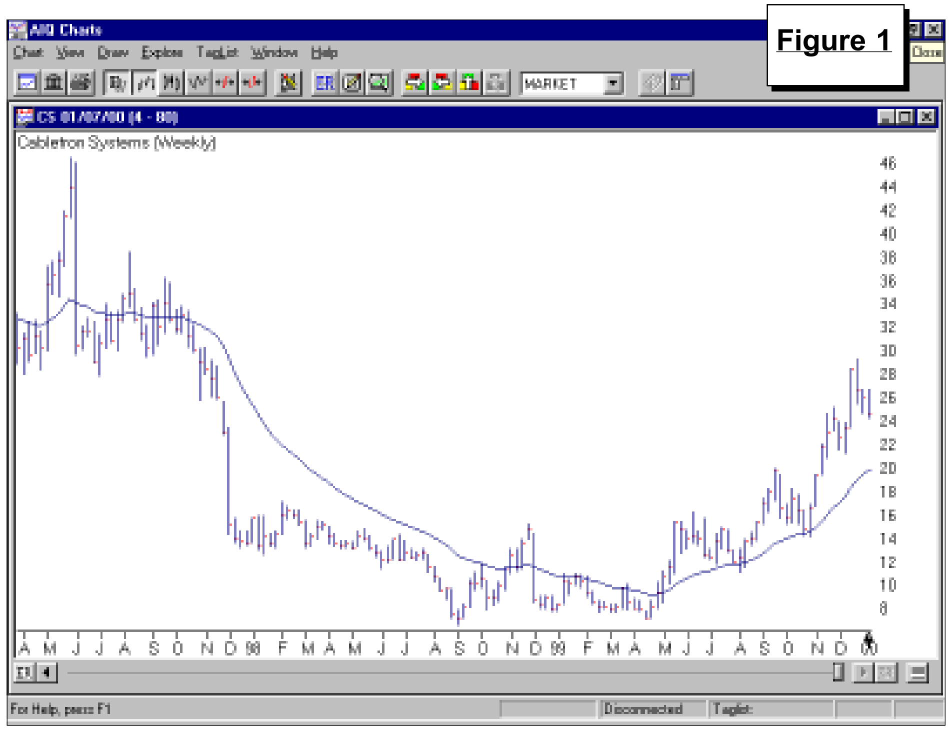
OBM: You've developed many trading models. When you build a model you obviously include rules that backtest well. How do you know when you are over-optimizing?

Blumberg: Let me first say that I don't believe in black box models. Instead, I believe in black box guidelines that help you in your selection process. I believe in an interpretive model style. I'll have parameters but I'll use my own interpretation as well. I can ignore signals for short periods of time but I don't ignore them for long periods of time. As for optimizing, I don't optimize very much. Optimization looks great if you look in the mirror but if you constantly have to keep changing and re-optimizing a model, then it isn't a winning model.

OBM: You have some trading rules based on news, looking at how a stock reacts to both good and bad news. Can you explain this?

Blumberg: A stock should go up on good news and go down on bad news. You can learn something about the stock if it behaves differently. A stock that doesn't go down on bad news is a stock that's ready to go up — the bad news is already factored into the stock. Conversely, a stock that doesn't go up on good news means the news is already factored into the stock's price. If a stock gives a strong earnings report and doesn't rally, then people have anticipated that and traders are taking profits into the news.

Figure 1



OBM: You appeared several times a day on CNBC for a number of years. As someone who has been in front of the camera, can you tell us in what ways a financial program such as CNBC helps investors and in what ways it hurts investors?

Blumberg: Financial programs help people by giving them a lot of valuable information. Some of the information is very good. The negative element is twofold. First, the programs tend to make people have too short a time horizon. Second, people should understand that these are news shows instead of forecasts. When the news is bad, the shows emphasize the bad news, most of which is already reflected in the stock prices.

"I think that the saying that no one ever got poor by taking a profit is one of the biggest falsehoods on Wall Street....that promotes a strategy of taking small gains and large losses. The successful trader is one whose gains are larger in size than the losses."

OBM: How long do you typically hold securities?

Blumberg: At Sheer Asset Management we are investors. When we have a winning position, then our objective is to own it for at least a year and a day. If the selection turns out to be a loser, then we'll sell as soon as we know we made a mistake. My advice to people is that the longer your time horizon the better your chance of finding winning stocks.

OBM: What technical indicators or chart patterns do you use when you pick a stock?

Blumberg: The fundamentals are the most important element in the long run but the technicals help with short-

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INTERVIEW *continued* . . .

term decisions. The simple indicators like Advance/Decline Line, New Highs/New Lows, and overbought/oversold indictors are very effective.

Chart patterns play a larger role in my analysis than indicator readings. The pattern that I like the most from the standpoint of buying is a saucer bottom. A long drawn out saucer bottom occurs after a very poor period for the stock. As the chart pattern begins to improve you ideally also want to see an improvement in the fundamentals.

A good example of a stock with a saucer bottom is Cabletron Systems (CS). The stock fell from mid-1997 to mid-1998, moved sideways for a year, and began moving higher last fall (**Figure 1** on preceding page).

OBM: Thank you for sharing your thoughts with us. ■

S&P 500 Changes

The following are changes to the S&P 500 Index and Industry Groups:

Biogen Inc. (BGEN) replaces Foster Wheeler (FWC). BGEN is added to the Biotechnology industry (BIOTECHN) group.

Harley-Davidson (HDI) replaces Fleetwood Enterprises (FLE). HDI is added to the Leisure Time-Products (LEISURET) group.

Conexant Systems Inc. (CNXT) replaces Consolidated Natural Gas (CNG). CNXT is added to the Electronics-Semiconductors (ELECTRONS) group.

Updating Your AIQALL List

If you are a long-time TradingExpert user and want to update AIQ's Industry Groups List (AIQALL), you can download an updated list file.

To do so, go to **http://www.pewd.com/downloads**.

Year-End Index of 1999 Articles

Opening Bell subscribers may obtain a free Index of 1999 Opening Bell articles by calling 1-800-332-2999.

STOCK DATA MAINTENANCE

The following table shows past and future stock splits and large dividends:

Stock	Ticker	Split/Div.	Approx. Date
Modem Media Poppe	MMPT	2:1	02/02/00
CoreComm Ltd.	COMMF	3:2	02/03/00
NTL Inc.	NTLI	5:4	02/04/00
Sprint Corp. PCS	PCS	2:1	02/07/00
Asyst Tech	ASYT	2:1	02/07/00
FactSet Research	FDS	2:1	02/07/00
Microship Tech.	MCHP	3:2	02/08/00
Research Engineers	RENG	2:1	02/08/00
Qlogic Corp.	QLGC	2:1	02/07/00
Mercury Interactiv	MERQ	2:1	02/14/00
Broadcom Corp.	BRCM	2:1	02/14/00
PSI Net	PSIX	2:1	02/14/00
Real Networks	RNWK	2:1	02/14/00
Hormel Foods	HRL	2:1	02/16/00
ADC Telecommun.	ADCT	2:1	02/16/00
Citrix Sytems	CTSX	2:1	02/17/00
Dycom Inds.	DY	3:2	02/17/00
LSI Logic	LSI	2:1	02/17/00
i2 Technology	ITWO	2:1	02/18/00
PE Corp.-PE Biosys.	PEB	2:1	02/21/00
Peregrine Systems	PRGN	2:1	02/21/00
Cybex Computer	CBXC	3:2	02/21/00
TriQuint Semiconductor	TQNT	2:1	02/23/00
IVAX Corp.	IVX	3:2	02/23/00
Micromuse Inc.	MUSE	2:1	02/23/00
Sanmina Corp.	SANM	2:1	02/23/00
USA Networks	USAI	2:1	02/25/00
Electro Scientific	USAI	2:1	02/25/00
Prima Energy	PENG	3:2	02/25/00
MGM Grand	MGG	2:1	02/23/00
Siliconix Inc.	SILI	3:1	02/29/00
Candela Corp.	CLZR	3:2	02/29/00
Dallas Semiconductor	DS	2:1	02/29/00
TMP Worldwide Inc.	TMPW	2:1	03/01/00

Trading Suspended:
Integrated Health Services (HIS), Nalco Chemical (NLC), Roberts Pharmaceutical (RPC), Service Experts Inc. (SVE), UST Corp. (USTB), Vantive Corp. (VNTV), Visio Corp. (VSIO)

Name/Ticker Changes:
(FDX) to FedEx Corp. (FDX), Qwest Communications (QWST) to Quest Communications Int'l (Q), Transocean Offshore Inc. (RIG) to Transocean Sedco Forex Inc. (RIG)

TRADING TECHNIQUES

THE BEST OF 1999 - THESE 'WORDS OF WISDOM' ARE IMPORTANT TO REMEMBER

We've published the *Opening Bell* since 1992. In those years we believe that last year contained the best set of articles. Very effective trading techniques were revealed and there were valuable insights from AIQ users and well-known analysts. These "words of wisdom" are invaluable for those who are in the process of developing their own trading strategies as well as for trading veterans. Here are some of our favorite quotes with additional comments:

Dr. Jerald Morganstein, July 1999

"I keep about 2500 stocks in my database. More than that increases problems in keeping the data clean each day. If you run a screen on the whole universe of stocks using a criteria of price greater than $20 and an average volume greater than 150,000 shares, then you will get about 1100 stocks. Those are the minimum limits of stocks that I want to trade. The other stocks are in the database to make the industry groups more accurate."

A common mistake for new users is to put too many stocks in their database. The Historical Data CD that comes with TradingExpert Pro contains about 10,000 stocks. New users often want to get their "money's worth" by installing all the stocks. Realistically there are about 2500 stocks that trade well and the rest are stocks that most people would never buy. The remaining 7500 stocks often have days with no volume and their bid-to-ask spreads are extreme. When reports are run on such a large database, the stocks that would never be purchased often rise to the top. Then they create a data maintenance problem and the time of downloading dramatically increases.

Installing stocks from AIQ's Historical Data CD is covered on page 42 of the Users Manual. You will want to do an Advanced install and put in a minimum price and a minimum volume figure similar to what Dr. Morganstein suggests.

If you have too many stocks in your database, you can have the program erase stocks that don't fit your criteria. Page 64 of the Users Manual describes this process. Briefly, you go to the *Data Manager* and under *Utilities* run an *Advanced Ticker Delete*. You can delete all tickers with a price under $10 or volume less than 150,000 shares.

> ***"Security selection is more important (than market timing). A good stock picker will outperform a good market timer." — David Vomund***

Paul Merriman, January 1999

"Most of the time, you can count on your system to get you into or out of the market 'too soon' or 'too late' to catch the tops and bottoms. If getting out at the very top and getting back in at the very bottom are your goals, timing is guaranteed to let you down. … Your goal should not be to achieve perfection. It should be to put the probabilities on your side. And a good timing strategy will do that."

Being fully invested when the market moves higher and sidestepping the declines sounds wonderful but accomplishing that is difficult. The AIQ timing model is very good but it is far from perfect. Every timing model goes through good periods and bad periods. If you can't take being wrong then you shouldn't time the market.

> ***"If getting out at the very top and getting back in at the very bottom are your goals, timing is guaranteed to let you down." — Paul Merriman***

David Vomund, February 1999

"The attention we've devoted to this subject may give the impression that market timing is the most important element of a trading system. It's not. Security selection is more important."

In a bad market you can still make money by buying the proper securities. Conversely, you can lose money during very bullish periods if you buy the wrong stocks. During the fourth quarter of 1999, the AIQ timing model was on a sell. While most stocks languished during this time period, large-cap Nasdaq technology stocks flourished. The overall market was unimpressive but those who placed money into the Nasdaq growth stocks did extremely well. A good stock picker will outperform a good market timer.

TradingExpert users can quickly find what type of stocks are performing well by monitoring the top of AIQ's Sector Analysis report. If a sector consistently remains near the top of the report, then money is flowing into those securities. Only in very bad market environments do all sectors decrease.

Several good stock picking models were presented in 1999. The strategy from the December issue which picks stocks from the Relative Strength report and the Weighted Action List report is an effective strategy.

Trading Tcehniques continued on page 6

TRADING TECHNIQUES *continued . . .*

Robert Rosenblum, April 1999

"For new clients, the trading portion starts out small and it slowly increases as they gain confidence in a more active approach."

Getting started with TradingExpert can be a daunting task, especially for those new to technical analysis. Every successful TradingExpert user has developed a personal trading methodology. What works for one person may not work for the next. An important task for new users is to develop a trading process, which means you'll be experimenting with different trading styles. The process of determining which indicators, reports, or EDS scans to use is time consuming but it is essential. As you begin to trade, start with a small portion of the portfolio. As your confidence in the system grows, so can the portfolio.

Dr. Jerald Morganstein, July 1999

"I'm not interested in trading stocks for sixteenths or small fractions. To do that you have to remain glued to your screen, ready to move at any second, reluctant to eat lunch or use the bathroom. I have done it profitably. But for me day-trading for small moves is strenuous and takes the fun out of the process."

All the online trading commercials would lead you to believe that the road to riches comes from day-trading. That is not necessarily so. Some people have the personality required to be a successful day-trader but others don't. You may be more comfortable catching intermediate term moves. If you don't like what you are doing then you probably won't be successful doing it.

"To be successful (at day trading) you have to really know the markets, you have to be sharp, and you have to act fast. Most people don't have those credentials." — John Murphy

John Murphy, August 1999

"I have advised people over the years that you have to master inter-day trading before you can master intra-day trading. The latter is much more difficult. When I walk around at various shows, such as the Money Show, I'm amazed at the number of people who ask questions about day trading. Yet, when I ask them a few questions, I find that they know very little about technical analysis. That is a terrible combination.

Being a profitable day trader is difficult and the odds are against you. To be successful you have to really know the markets, you have to be sharp, and you have to act fast. Most of the people don't have those credentials."

Predicting what will happen over the next few weeks is a lot easier than predicting what will happen over the next few minutes. Only after people fully understand how the indicators behave under different circumstances should they try day-trading. ■

MARKET REVIEW

January was an active month for both the market and the AIQ timing model. For about an hour the market celebrated the fact that there were no Y2K problems, and then promptly corrected. Volatility was extreme as the Nasdaq experienced two 10% corrections in January alone. In about half of the trading days, the Nasdaq closed up or down by more than 100 points .

The AIQ timing model took advantage of early January weakness by giving an unconfirmed 99 buy signal on January 5. The Phase indicator increased two days later. A confirmed 100 sell signal was registered on January 24 followed by a 98 buy signal on January 31. On the January 31 buy, there were a very high percentage of stocks giving unconfirmed signals. Looking at the Market Log report on that day, 92% of the S&P 500 stocks that were giving unconfirmed signals were on the buy side. Since there was a high percentage of stocks with unconfirmed buy signals, we know that if/when the market rallies most of those stocks will become confirmed and there will be a high percentage of stocks with confirmed buy signals.

During the January 24th to January 30th sell signal, the overall market was mostly unchanged but the Nasdaq fell almost 4%. When plotting the Nasdaq Composite (OTC), the weekly RSMD SPX has favored the Nasdaq over the S&P 500 since early September. In January the indicator began to lose momentum. Should this indicator begin to trend lower it would signal an important shift out of growth stocks. Typically, when the Dow or the S&P 500 outperforms the Nasdaq Composite then people are favoring value investing over growth investing.

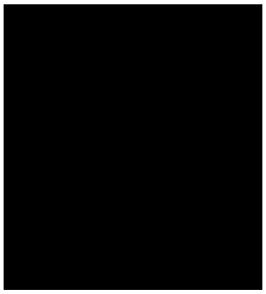
On page 7 of this issue we discuss applying the AIQ timing model to the Nasdaq 100 index. This model also gave a sell on January 24. During the last two days of January, the Nasdaq rallied and closed near its daily high. This improved the indicators. Whereas the Money Flow indicator on the Dow was extremely bearish, the Money Flow indicator on the Nasdaq 100 market was near an all-time high by the end of January.

Users should make sure the Martin Luther King holiday is set to January 17. Go to the *Data Manager*, select *Manager*, *Preferences*, and *Holidays*. The MLK Jr. Holiday should be set to 01/17/00. If the date was set wrong, fix it and go to *Communications* and then *Reload History* on all pricing data going back to 01/14/00. ■

STRATEGIES UPDATE - PART I

HOW ARE THEY PERFORMING? AN UPDATE OF OUR PREVIOUSLY PUBLISHED TRADING STRATEGIES

By David Vomund



DAVID VOMUND

At the beginning of each year we take the opportunity to update our readers on performance figures from trading systems that were published in the *Opening Bell*. This is our way of being held accountable for our published studies. Some of the trading systems are for short-term traders, some strategies are for less active traders, and some are for long-term investors. When we find something that works, we publish it.

Weighted Action List Trading Strategy

The first system that we'll update is one that we've tracked since the early 1990s. The system combines AIQ's market timing model with the Weighted Action List report. For this strategy, run the Weighted Action List stock report every time there is an AIQ market timing buy signal (an Expert Rating of 95 or greater on ticker DJIA). Only the first market timing signal in a string of buy signals is used and no confirmation is applied to market timing signals.

When a market timing buy is registered, the top five stocks that appear on the Weighted Action List with Expert Rating signals greater than 95 are purchased and held until a market sell signal is registered, at which time all positions are moved to cash. Only Standard & Poor's 500 stocks are purchased.

To obtain percentage return figures, we make the following assumptions:

- The buy and sell points for the stocks are the opening prices the day after the market timing Expert Rating.
- Commissions are factored in using a commission rate of $20 per trade.
- Slippage, dividends, and money market interest received are not factored in.

Since this strategy was first published, we have continuously updated the trades so the stock purchases reflect the information that was available at the time. This is more accurate than running a backtest using today's S&P 500 stocks.

While 1998's 76% rate of return was this system's best yearly return, the 2.3% return in 1999 was the lowest yearly return. **Table 1** shows the individual trade dates and the securities that were purchased.

This low return was a result of bad stock selection and bad market timing. Being in cash for most of the entire fourth quarter when technology stocks rallied didn't help.

Don't feel too sorry for those following the strategy. The 8-year annual rate of return for this technique is an outstanding 28.6%. Trading strategies go through good periods and bad periods. It may be time for this one to shine again.

Table 1

1999 Results - Weighted Action List

ER Buy Date	ER Sell Date	S&P 500 % Change	Stocks % Change	Portfolio Holdings (Stock Symbols)
12/30/98	01/13/99	0.20	3.64	LUV,AGN,DH,CCE,TMK
01/25/99	02/25/99	0.89	-4.52	BMET,WMB,PPW,HOU,LLY
04/16/99	06/09/99	-0.03	-1.50	ABX,AMD,FITB,N,UCM
06/29/99	07/20/99	1.90	3.22	AOL,AAPL,GIC,HAL,YUM
08/02/99	08/18/99	0.36	-0.90	N,MOT,WY,LTD,AGN
09/27/99	10/12/99	2.32	7.12	APA,CC,AR,FCX,FSR
10/14/99	10/25/99	0.80	-3.36	RLM,IKN,TIN,TOS,BHI

1999 Return = **2.32%**

Nasdaq Timing Model

In the May issue we ran one of the most important and timely articles of the year. We introduced the concept of using AIQ's regular market timing model on the Nasdaq 100 index. In the article, we used the word "spectacular" to describe its effectiveness. It is still spectacular.

AIQ's market timing system needs price, breadth, and volume in its Expert System. The Nasdaq Composite has all of these but Nasdaq breadth isn't representative because it is calculated from

Strategies Update continued on page 8

STRATEGIES UPDATE *continued . . .*

Figure 2

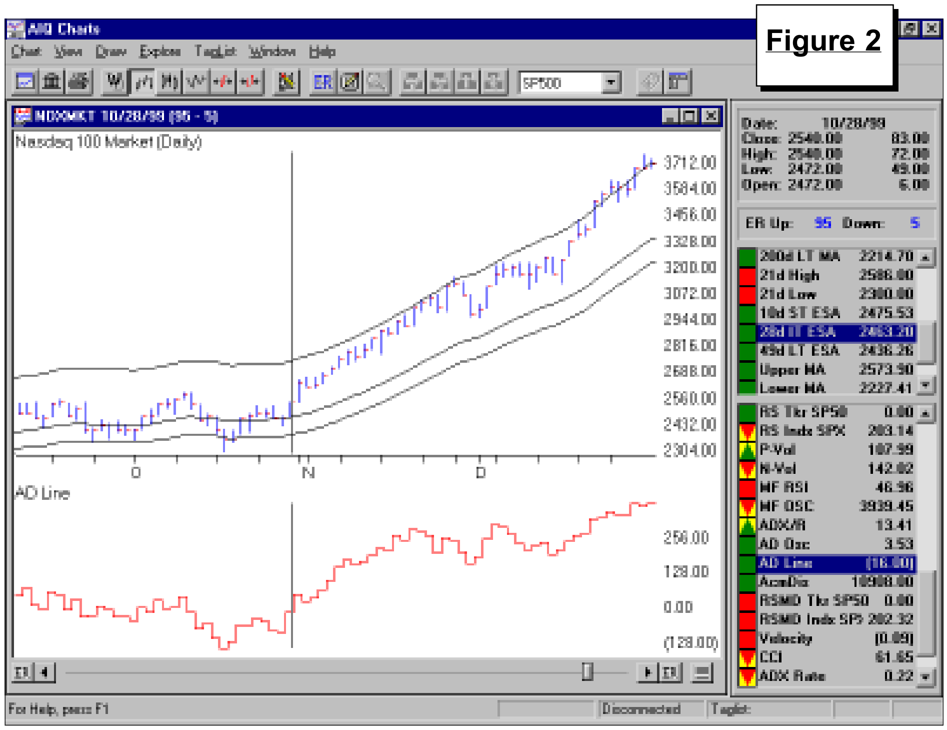


Table 2

Nasdaq Trading Model

Buy Date	Expert Rating	Sell Date	Expert Rating	Percent Change
12/31/98	N/A	2/4/99	97	16.83
2/22/99	99	2/24/99	99	-0.35
3/29/99	95	4/13/99	98	1.45
4/21/99	96	4/28/99	98	2.19
5/17/99	97	6/8/99	99	-4.09
6/9/99	95	6/10/99	99	-1.78
6/16/99	100	7/22/99	98	5.26
8/11/99	100	8/26/99	97	7.85
9/3/99	97	9/15/99	99	-1.76
10/4/99	96	10/15/99	95	-2.59
10/28/99	95	12/31/98	N/A	45.98

1999 Return = **70.4%**

too many small-cap issues that have no influence on the Composite. To demonstrate the problem, the Nasdaq Composite rose 85% in 1999 but the Nasdaq's Advance Decline Line hit new lows for most of the year.

We solved this problem by using the Nasdaq 100 index instead of the Nasdaq Composite. The Nasdaq 100 index (NDX) contains the large capitalization stocks that move the Nasdaq Composite. Since the Nasdaq 100 index has no breadth or volume TradingExpert is used to calculate breadth and volume.

By creating a Nasdaq 100 market, we can plot the actual Nasdaq 100 Index using the NDX ticker and TradingExpert calculates breadth and volume based on the 100 stocks that comprise the index. The Advance Decline Line on the Nasdaq 100 market works because all the low price and low volume stocks that distort the Nasdaq Composite are excluded from the calculation.

A list of the Nasdaq 100 stocks can be found on the Nasdaq web site at **www.nasdaq.com**. An explanation of how to create a market can be found in the TradingExpert Pro Users Manual, page 52.

We created this model in March of 1999 based on the stocks that comprised the Nasdaq 100 at that time. Although the stocks that make up the Nasdaq 100 change over time, we kept our list the same for the remainder of the year. Consistency is important.

The Expert Rating signals on the Nasdaq 100 market have correctly called the two most important events over the last two years: the model was on a sell during the 1988 fall correction and it was on a buy for the 1999 fourth quarter rally.

The most important signal is shown in **Figure 2**. The 1999 trades are found in **Table 2**.

Since this model calculates breadth, new highs/new lows, and volume based on a user created list, results will vary depending on what stocks are used in creating the list of Nasdaq 100 stocks. Users will not be able to duplicate our results but the signals will be close.

For tracking, we updated our list of Nasdaq 100 stocks on December 31, 1999 and we'll use this list without change for all of the year 2000. We'll review the trading results next year. ■

David Vomund publishes VIS Alert, a weekly investment newsletter. For a sample copy go to ***www.visalert.com*** *or call (775) 831-1544.*