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Sector Surfer SIG

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Don Gimpel's Black Box Presentation

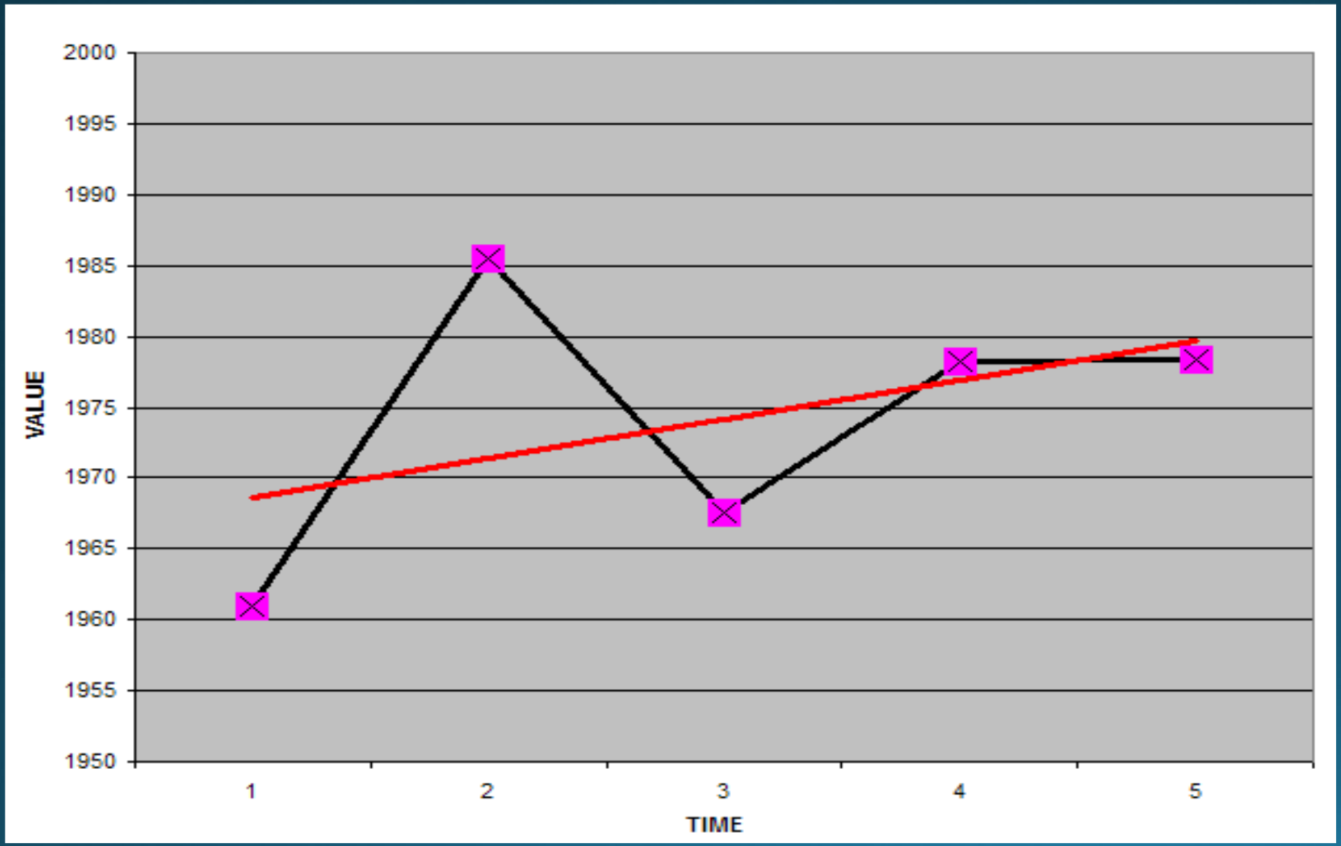
- Best Fit to Stock Prices
- http://www.gummy-stuff.org/best-fit.htm
- The EXCEL functions that returns the best fit line parameters c and k are:

  k = INDEX(LOGEST(yn,n), 1)

  C = INDEX(LOGEST(yn,n), 2)
- To plot the best fit curve

  $P(n) = C\,(k)^n$

Best Fit Example



Don Gimpel’s Black Box Prototype

- Parameters
- Data Collection
- Calculations

Parameters

Parameters												
Start Date (Friday):	1/3/2014											
Number of periods to calculate modulus:	12											
Model Securities:	XLY	XLP	XLE	XLF	XLV	XLI	XLB	XLK	XLU	QQQ	SHY	SH
Bogey Security:	SPY											

Click here to collect data and perform calculations

If you've only changed the number of periods to calculate the modulus, please click the button below to re-run the calculations.

Click here to re-run the calculations only

Data Collection

Date	XLY	XLP	XLE	XLF	XLV	XLI	XLB	XLK	XLU	QQQ	SHY	SH	SPY
1/3/2014	66.34	42.37	86.93	21.89	55.26	51.67	45.74	35.22	37.27	86.64	84.39	25.48	182.89
1/10/2014	66.34	42.40	86.90	22.03	56.74	51.93	45.64	35.32	38.22	87.30	84.42	25.31	184.14
1/17/2014	65.09	42.07	86.01	21.93	57.02	51.82	45.93	35.75	38.06	87.88	84.41	25.36	183.64
1/24/2014	63.50	41.48	84.33	21.11	55.66	49.81	43.87	35.13	37.98	86.74	84.47	26.02	178.89
1/31/2014	62.82	40.76	83.38	21.06	55.96	50.03	44.04	34.82	39.10	86.27	84.55	26.10	178.18
2/7/2014	64.09	40.93	84.04	21.29	56.35	50.47	44.70	35.10	38.88	87.30	84.55	25.84	179.68
2/14/2014	65.17	41.84	86.03	21.64	58.21	51.37	46.12	36.07	40.28	89.81	84.52	25.23	184.02
2/21/2014	65.20	41.60	86.41	21.48	58.81	51.39	46.19	35.95	40.55	89.93	84.54	25.24	183.89
2/28/2014	66.84	42.35	87.65	21.70	59.44	52.06	47.08	36.35	40.45	90.34	84.56	24.92	186.29
3/7/2014	67.39	42.66	88.02	22.37	59.45	53.00	47.79	36.42	39.99	90.53	84.44	24.64	188.26
3/14/2014	65.85	42.58	86.38	21.80	58.44	51.35	46.90	35.63	40.89	88.67	84.51	25.11	184.66
3/21/2014	65.68	42.50	87.06	22.40	58.18	51.65	47.37	36.31	40.51	89.00	84.38	24.78	186.20
3/28/2014	64.28	42.75	89.06	22.11	57.71	51.73	46.77	36.07	41.01	87.05	84.40	24.88	185.49
4/4/2014	64.65	42.95	90.16	22.17	58.01	52.54	47.34	35.92	41.46	86.37	84.44	24.75	186.40
4/11/2014	62.24	42.75	88.45	21.28	55.71	50.90	46.03	35.20	41.69	84.11	84.54	25.39	181.51

Calculations

XLE	XLF	XLV	XLI	XLB	XLK	XLU	QQQ	SHY	SH	Highest k-Score	Current Holding	Return of Prior Holding	Bogey Return
33.2	28.3	41.4	18.3	55.4	27.9	73.4	20.4	-0.3	-36.4	73.4	XLU		
53.7	41.9	36.5	31.8	62.6	24.4	74.0	5.8	-0.8	-44.0	74.0	XLU		
59.5	37.2	16.8	31.3	59.3	17.5	69.1	-15.2	-0.9	-39.4	69.1	XLU		
72.9	27.6	-4.2	27.8	47.1	12.7	62.4	-29.5	-1.1	-33.5	72.9	XLE	4.42%	0.10%
76.2	14.4	-20.9	20.5	28.3	-0.9	68.8	-45.9	-0.9	-22.6	76.2	XLE		
77.2	5.9	-33.8	16.1	14.5	-5.9	60.2	-51.2	-0.5	-16.2	77.2	XLE		
81.1	1.6	-33.3	18.0	12.4	-1.6	59.3	-46.8	0.0	-16.8	81.1	XLE		
79.9	-10.2	-25.4	18.3	9.7	4.3	57.0	-35.4	0.9	-15.3	79.9	XLE		
82.8	-13.2	-6.2	25.7	18.5	20.8	47.4	-10.8	1.8	-22.1	82.8	XLE		
87.4	1.0	18.6	42.8	36.0	41.1	39.3	21.2	2.2	-36.9	87.4	XLE		
83.8	12.3	37.7	53.0	48.0	52.6	39.8	49.6	2.5	-46.0	83.8	XLE		
82.2	29.7	49.3	55.0	56.0	67.3	27.5	74.5	1.7	-54.4	82.2	XLE		
92.0	44.2	62.2	57.6	59.5	75.1	25.7	88.6	0.8	-63.0	92.0	XLE		
95.2	56.5	76.5	57.7	62.9	79.7	28.6	98.7	0.4	-69.8	98.7	QQQ	7.79%	5.06%
83.7	53.1	76.4	44.4	55.7	76.6	17.5	98.8	0.0	-65.8	98.8	QQQ		
77.5	50.3	73.7	37.4	53.0	76.7	14.6	99.3	-0.3	-64.1	99.3	QQQ		
71.6	48.5	68.1	27.8	46.3	73.0	18.6	96.1	-1.0	-60.5	96.1	QQQ		

Summary

- Best fit curve: $P(n) = C (k)^n$
- Excel functions: INDEX, LOGEST
- Select analysis time frame
- Select number of periods to include in the calculation
- Calculate k for each security for each period
- Use k as a momentum indicator
- Consider the security with the highest k value

Don Gimpel's Black Box Prototype

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