



SOFTINVESTOR

Softinvestor user manual

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INSTALLATION

Requirements

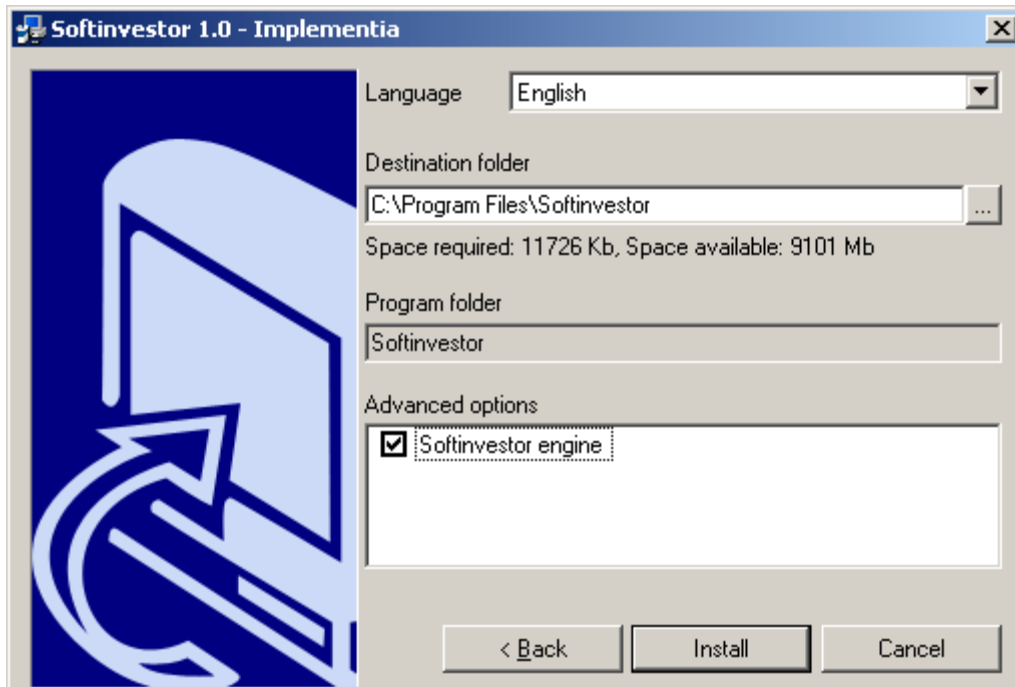
Softinvestor uses the latest technologies available to bring the best experience. Softinvestor requires Windows 2000 family, Windows XP family or Windows 2003 server family to run properly.

Setup

Softinvestor is provided as a single EXE file. This bundle allows the automatic installation of the software through a step by step wizard. To start the process simply double click on the setup file.



To proceed read and accept Softinvestor License Agreement.

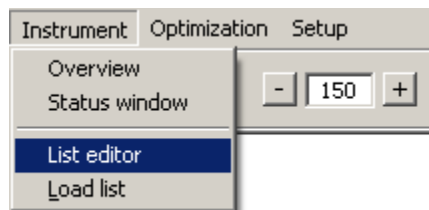


Choose destination folder, check Softinvestor Engine and click install.

GETTING STARTED

Create stock-list

When Softinvestor is loaded for the first time it uses a built-in stock-list containing more the 20 indices. To analyze your own portfolio, click Instrument > List editor as shown below.

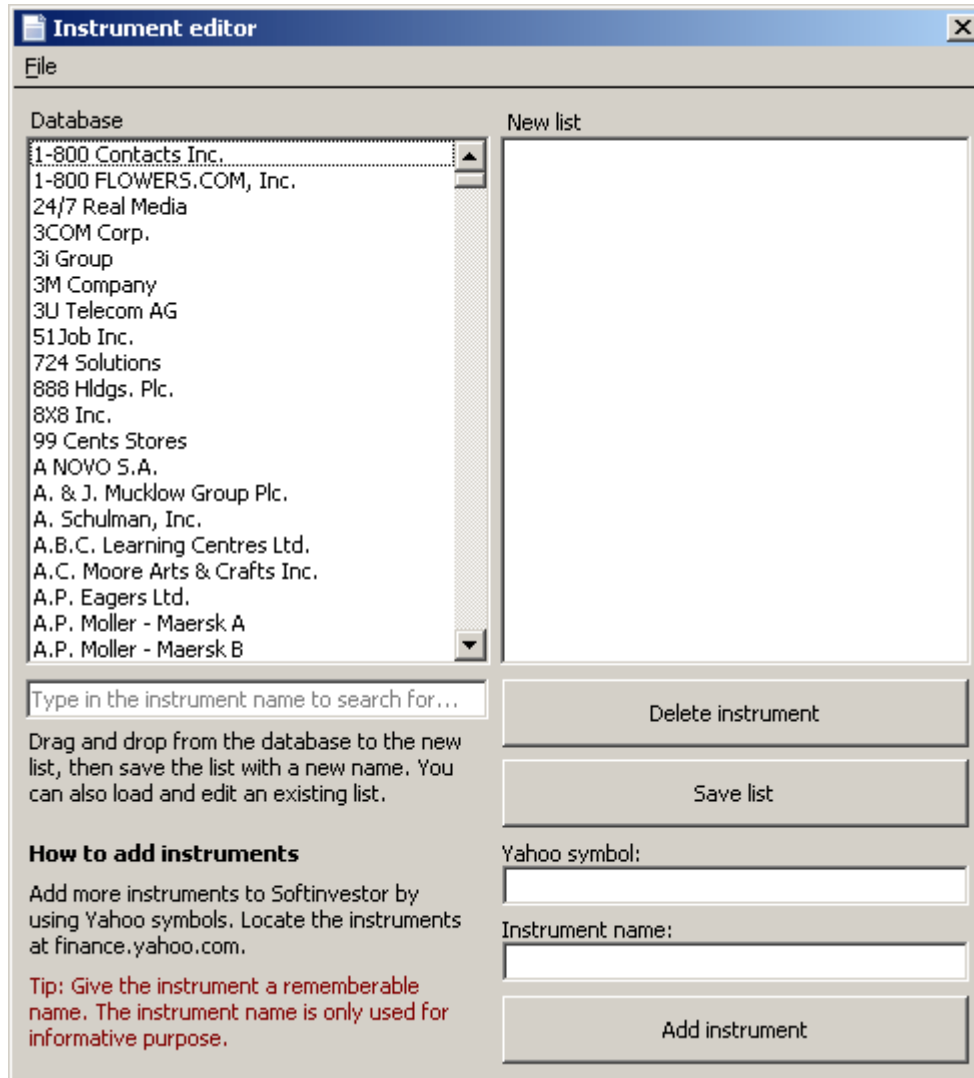


Within the List editor you can customize the stock-lists you want to use. You can create an unlimited number of stock-lists.

In the left list-box labeled Database you have an overview of all predefined stocks in Softinvestor. To create your own list drag and drop stocks from left list-box to the right list-box labeled New list. Click Save list when you are done adding stocks to your new list and save the stock-list.

When you exit the List editor Softinvestor will ask if you wish to load the new list – click Yes to load the new list or No to continue with the current list.

Warning: Do not overwrite Stocks.ini or Indices.ini. If these are overwritten, you will lose the stock-list you created. To insure the latest stock-database Stocks.ini and Indices.ini updates when you Update quotes (Shift+Ins).



To search for an instrument type the name in the input-box below the left list-box. If you want to delete an instrument from your stock-list, select the instrument in the right list-box and click Delete instrument.

It is possible to customize existing stock-lists by clicking File > Load list in the List editor. Then you can add and delete as you want.

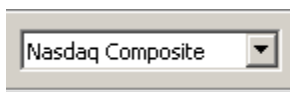
Load existing stock-list

By clicking Instrument > Load list you can switch between your stock-lists without having to customize them. In the Softinvestor program folder you will find predefined stock-lists - example CSE.ini (Copenhagen Stock Exchange). If you want to customize an existing stock-list such as CSE.ini go to Create stock-list for more information.

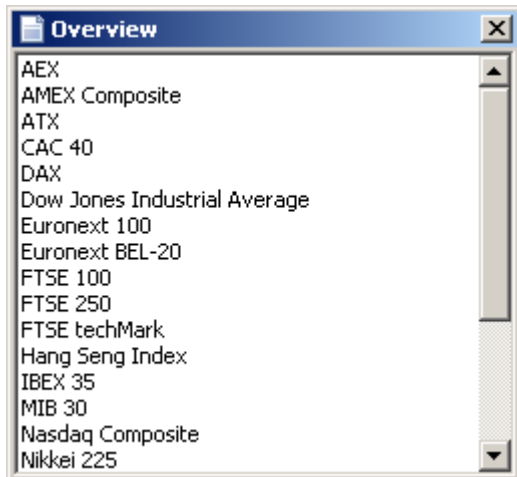
WORKSPACE

Select stock

Use the drop-down menu in the top toolbar to find an instrument in your stock-list. When you click an instrument the charts will update immediately. If you have not already downloaded historical data for the selected instrument, Softinvestor will download the latest quotes automatically.



Click Instrument > Overview to open your stock-list in a separate window.



Timescale

Softinvestor supports daily and weekly charts as shown below. Check the chart-type you want to use for analyzing the selected instrument.



Period

When you have chosen a timescale choose the period - which amount of days or weeks you want to show in the charts. Click + or - to change to period.



Tip: By clicking Shift and clicking + or - you can double the period. Right click to zoom faster.

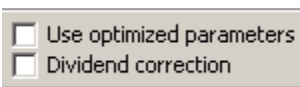
Indicator lamps

The indicator lamps will give you a quick overview of which signals the different models give with your current settings. Green is buy and red is sell.



Alternate configuration

Softinvestor be configured to use optimized parameters and dividend correction. Check the features you want to include. Go to Optimization and Dividend correction for more information.



More options

Softinvestor has a dock able toolbar with advanced options. Below you will find a description of each icon.



Update current quote

Get the latest data for the selected stock

Refresh all charts

Manually update all charts

Open Intraday signals

View new signals generated from the current settings

View Price history and Dividend correction

View downloaded data and configure Dividend correction

Open Barometer

View the latest winners and losers on your stock-list

Open Signal sum report

Get a detailed signal overview of your stock-list

Open Status

View Status for the selected instrument

Open Preferences

Change settings for your current user profile

REGISTRATION

Online registration

Click Update > Online registration to register Softinvestor.



Type your personal serial number into the text box and press Apply.



If the registration is successful Softinvestor will download the stock database containing more than 5000 stocks and restart.

When you have registered Softinvestor you can update quote.

UPDATE QUOTES

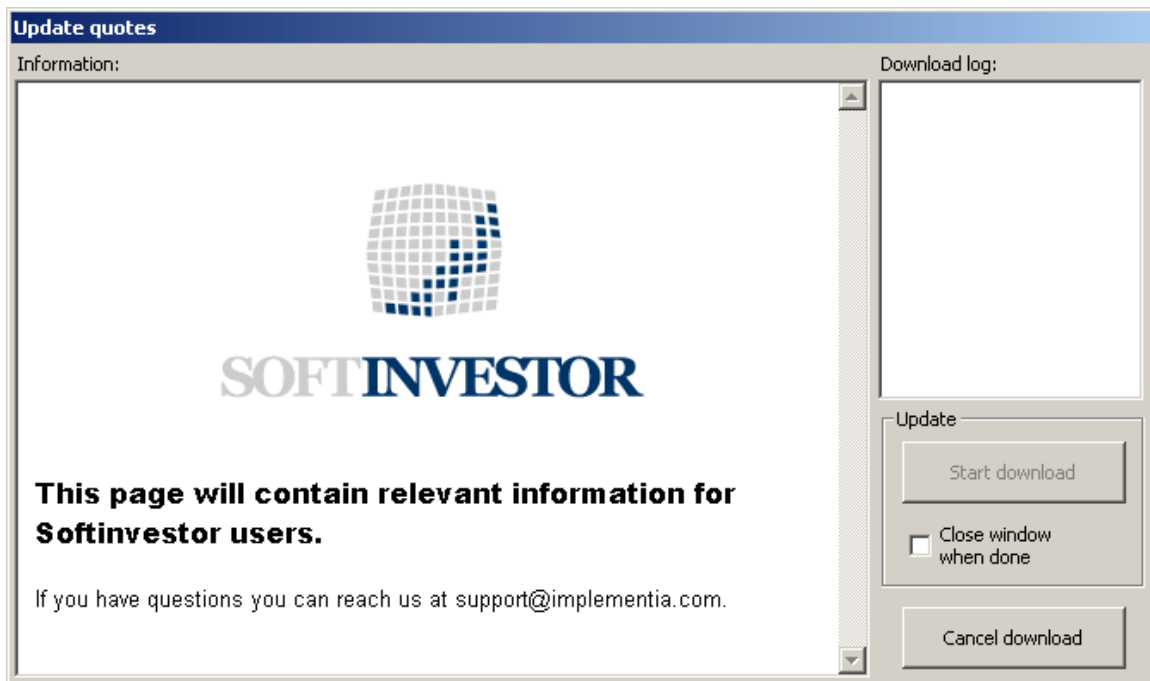
Update all instruments

Update all instruments in your stock-list by clicking Update > Update Quotes.



If you have a registered version of Softinvestor and are connected to the internet, Softinvestor will automatically start updating quotes. In the right log window you can track errors.

There are 3 types of log messages: OK, NOTODAY and NOHISTORY – followed by the instrument name. If the log shows NOTODAY, Softinvestor was not able to download today's data. If the log shows NOHISTORY, Softinvestor could not find any historical data for the actual instrument. You cannot do analysis on an instrument that has no historical data. Try updating the failed instrument again later or remove the instrument from your stock-list to avoid complications.



Click Cancel download to cancel all downloads. The Cancel download will change to Exit download when it is clicked or the download is complete. Click Exit download to exit the Update quotes window.

Check Close window when done to close Update quotes upon completion.

Update current instrument

By clicking the left toolbar icon as described above, you can download data for a single instrument.

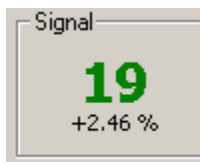
CHARTS

Studies

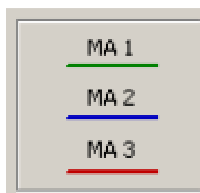
To open a study click Studies and choose the technical analysis model you want use on your instrument.

Studies	Update	Instrument
Hausse Index		F2
MACD		F3
Momentum		F4
Moving Average		F5
Parabolic SAR		F6
RSI model		F7
Stochastic		F8
<hr/>		
Bollinger Bands		Shift+F1
Force Index		Shift+F2
On Balance Volume		Shift+F3
<hr/>		
Index chart		Shift+F4
Multichart - plot		Shift+F5
Support & resistance		F1
<hr/>		
Open all		F12
Close all		Ctrl+F12

It is possible to change the technical analysis model's parameters in the right side of the chart. Each chart tells you how long ago (days or weeks depending on chart selection) the latest signal was generated and profit/loss status since then.



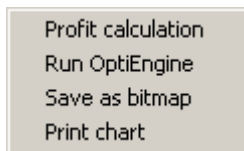
You also find a description of each element in your chart.



Below you can see how the MA-chart looks.



By right clicking a chart you can open extra option.



Profit calculation

The Profit calculation feature gives you a brief overview of how the instrument, according to your current parameter, has performed based on the technical analysis model's buy and sell signals. It also compares the profit/loss against holding the instrument.

Tip: Use stop-loss to optimize your profits.

Profit calculation: Moving Average - Nasdaq Composite			
	Date	Price	Percentage
Start	10/19/2001	100.00%	
Buy	12/13/2002	1,362.42	
Sell	2/21/2003	1,349.02	98.03%
Buy	3/28/2003	1,369.60	
Sell	5/7/2004	1,917.96	135.91%
Buy	11/5/2004	2,038.94	
Sell	4/1/2005	1,984.81	130.98%
Buy	6/24/2005	2,053.27	
Price value	12/2/2005		<u>144.00%</u>
Profit data: Nasdaq Composite MA 12 / MA 40			
Calculation period from: 10/19/2001 to 12/2/2005			
Price on start date: 1671.31			
Price on end date: 2273.37			
<input type="checkbox"/> Use stoploss <input type="text" value="0"/> %			
Comparison			
Profit according to Softinvestor:			144.00%
Profit by holding instrument:			<u>135.34%</u>
▲ Difference			<u>6.40%</u>

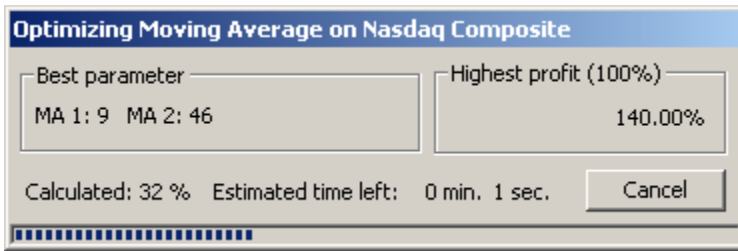
In this case MA 12 / MA 40 managed 6.4% better than holding the instrument from 10/19/2001 to 12/2/2005.

Run OptiEngine

OptiEngine can help find the best parameters for the actual technical analysis model. Softinvestor will show the parameter customization window when you click Run OptiEngine.

Optimizing: Moving Average			
	Start	Stop	Step
MA 1	<input type="text" value="5"/>	<input type="text" value="20"/>	<input type="text" value="1"/>
MA 2	<input type="text" value="20"/>	<input type="text" value="50"/>	<input type="text" value="2"/>
<input type="button" value="Cancel"/>		<input type="button" value="Start"/>	

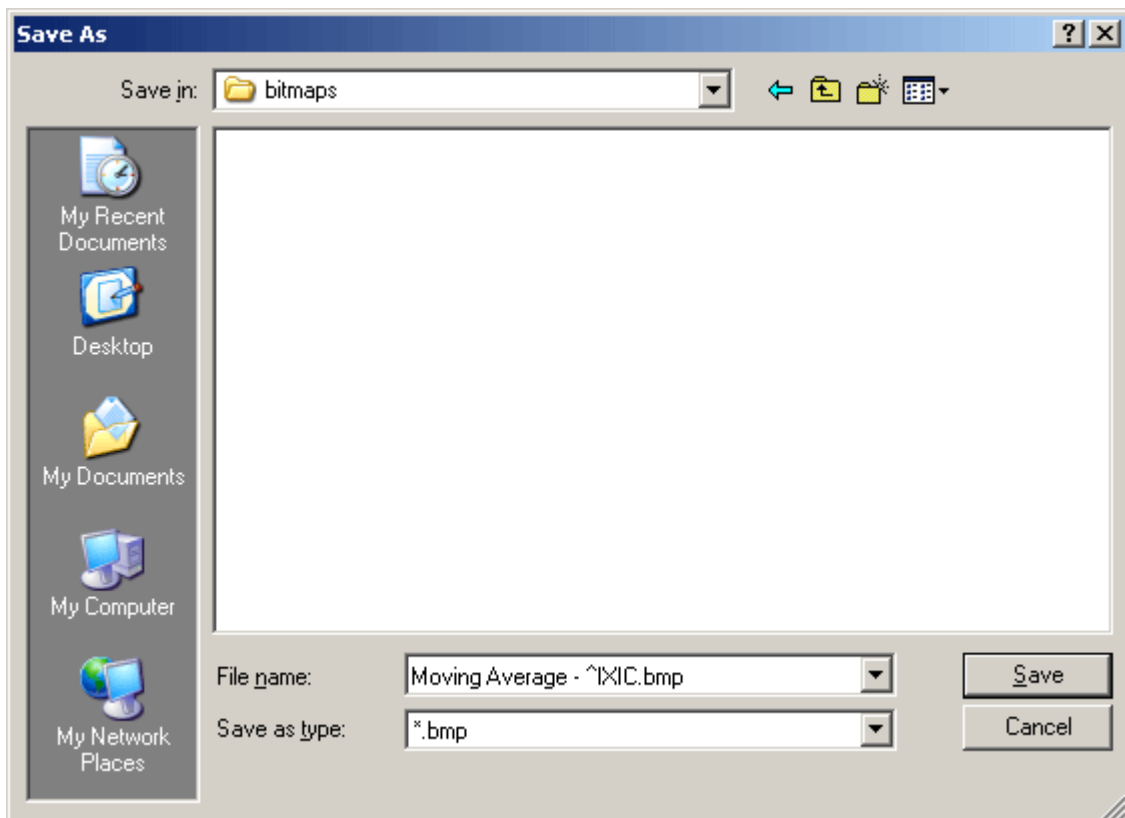
Click Start to automatically make Softinvestor calculate the best parameters within your criteria.



Softinvestor will calculate the best parameters based on the loaded time period. You can customize the loaded time period in Preferences.

Save as bitmap

By right clicking a chart and choosing Save as bitmap you can save your chart as a picture.



Type in a name and click Save to save the bitmap picture.

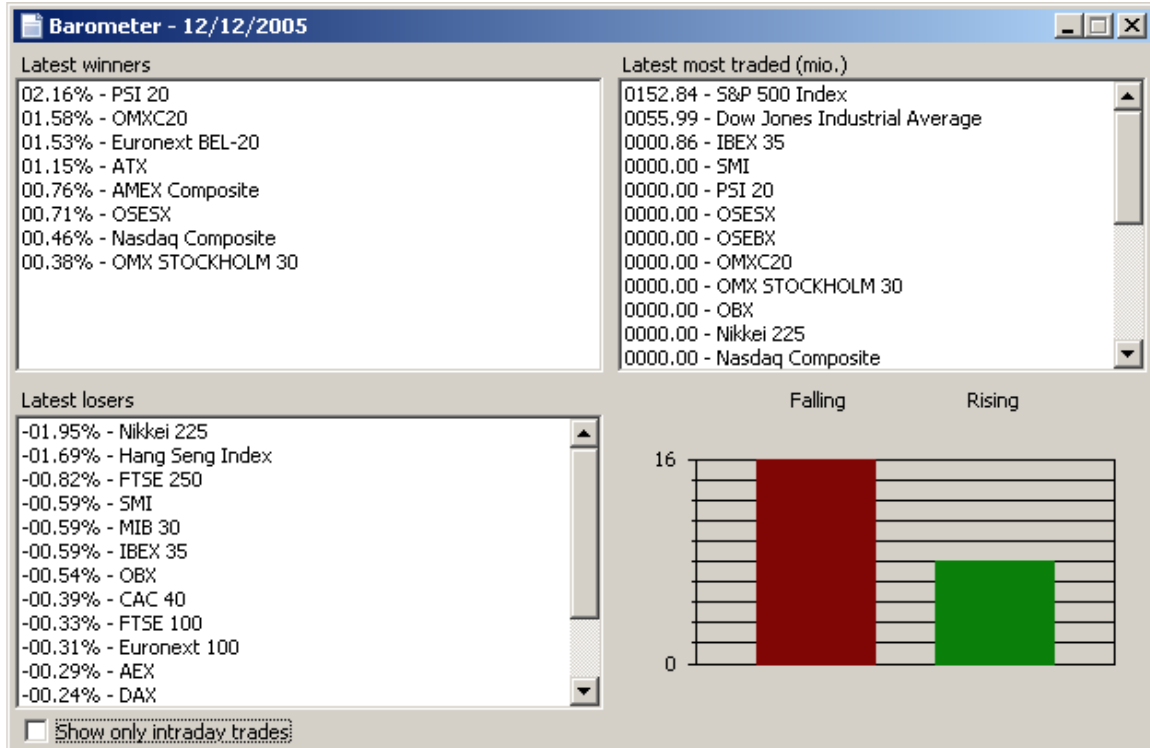
Print chart

By right clicking a chart and choosing Print chart you can print the actual chart. Softinvestor will print to your Windows standard printer.

ADVANCED OPTIONS

Barometer

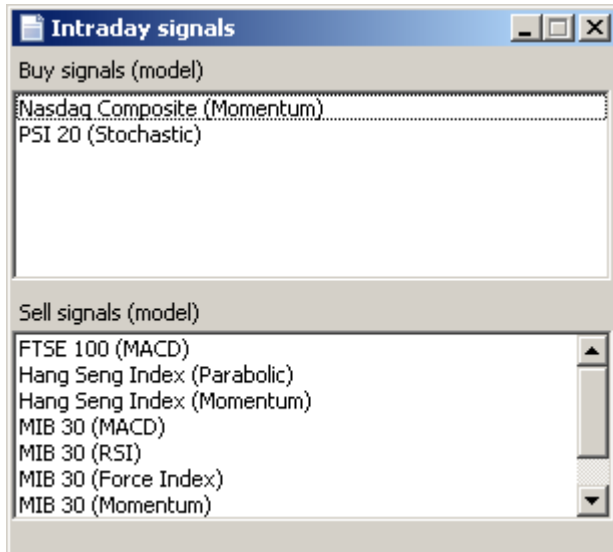
The Barometer shows you the latest winners, losers and most traded. Click an instrument name to switch the selected instrument.



Uncheck Show only intraday trades to show all changes since last update.

Intraday signals

The Intraday signals shows the new signals generated on daily or weekly basis depending on your chart selection. Click an instrument name to switch the selected instrument.



Price history and Dividend correction

The Price history shows a table of all entries in an instruments historical data.



Date	Price	Volume	Change %
12/12/2005	1769.6300	0	0.76
12/9/2005	1756.3200	0	-0.07
12/8/2005	1757.5500	0	0.44
12/7/2005	1749.9200	0	0.13
12/6/2005	1747.7300	0	1.23
12/2/2005	1726.4500	0	0.99
12/1/2005	1709.4800	0	1.16
11/30/2005	1689.8000	0	-0.47
11/28/2005	1697.8500	0	-0.58
11/25/2005	1707.7200	0	-1.05
11/23/2005	1725.9200	0	-0.06
11/22/2005	1726.9200	0	0.67
11/21/2005	1715.4500	0	0.77
11/18/2005	1702.3200	0	0.09
11/17/2005	1700.8400	0	0.68
11/16/2005	1689.3000	0	-0.61
11/14/2005	1699.7300	0	0.19
11/11/2005	1696.5800	0	0.87
11/10/2005	1681.8900	0	-0.36
11/9/2005	1687.9000	0	0.56
11/8/2005	1678.4700	0	-0.33
11/7/2005	1684.0600	0	-0.04
11/4/2005	1684.6900	0	-0.56
11/3/2005	1694.2100	0	0.77
11/2/2005	1681.2100	0	1.73

Dividend correction

Use Dividend correction to handle stock splits. You can enter up to 5 splits. To make technical analysis possible after a stock split enter the date of the split and the value to subtract from the price.

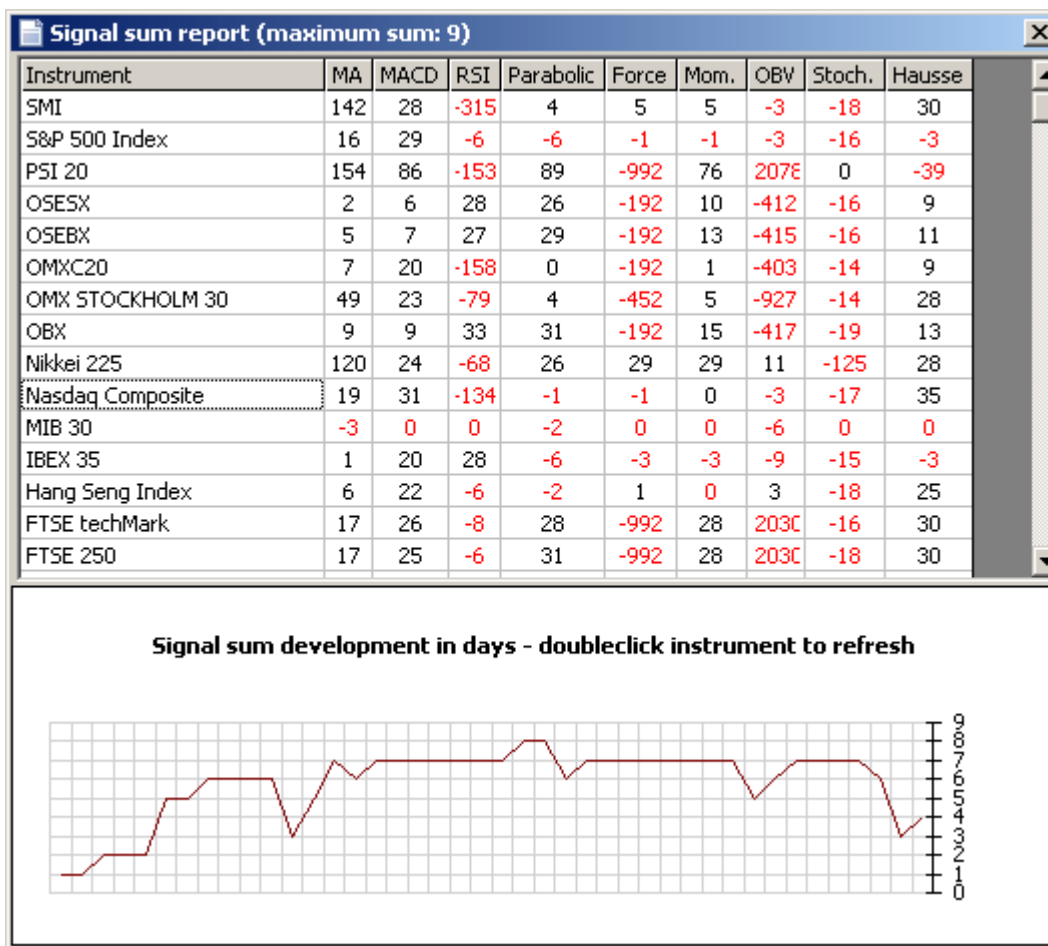
Dividend correction

12/12/2005	0
12/12/2005	0
12/12/2005	0
12/12/2005	0
12/12/2005	0

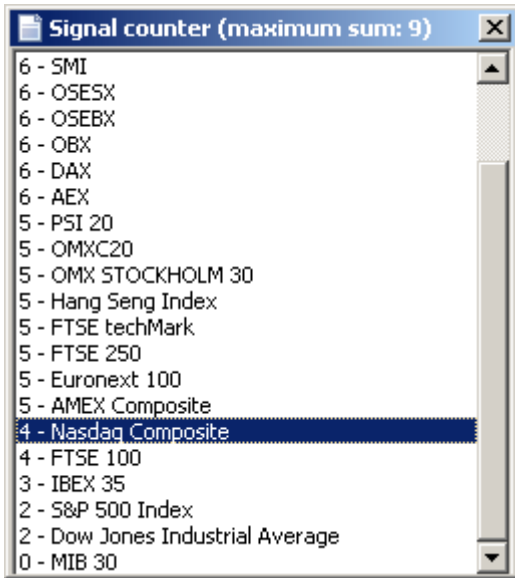
Save

Signal sum report and Signal counter

The Signal sum report shows a detailed overview of signals for all instruments in your stock-list. Depending on the chart timescale it shows for how long each signal has been present. Double click an instrument to view the signal sum development in days. Click an instrument name to switch the selected instrument.



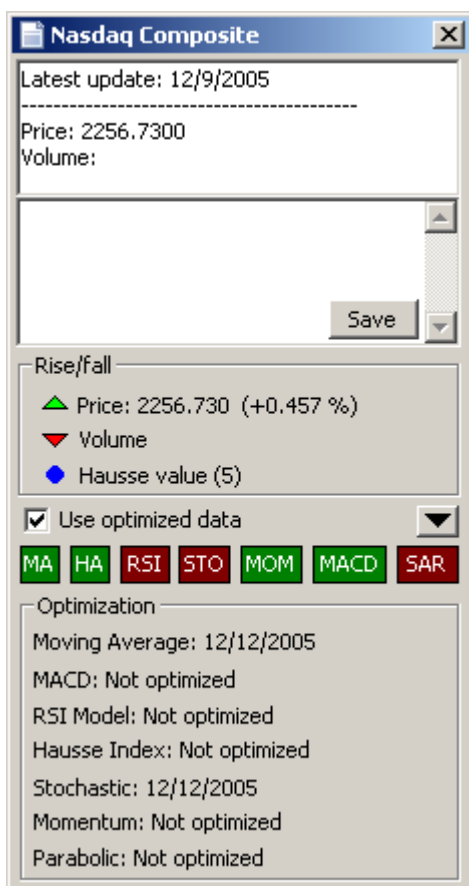
The Signal counter shows you how many technical analysis models that indicate buy, with your current user settings.



In Preferences you can customize which models to include in the Signal sum report and Signal counter.

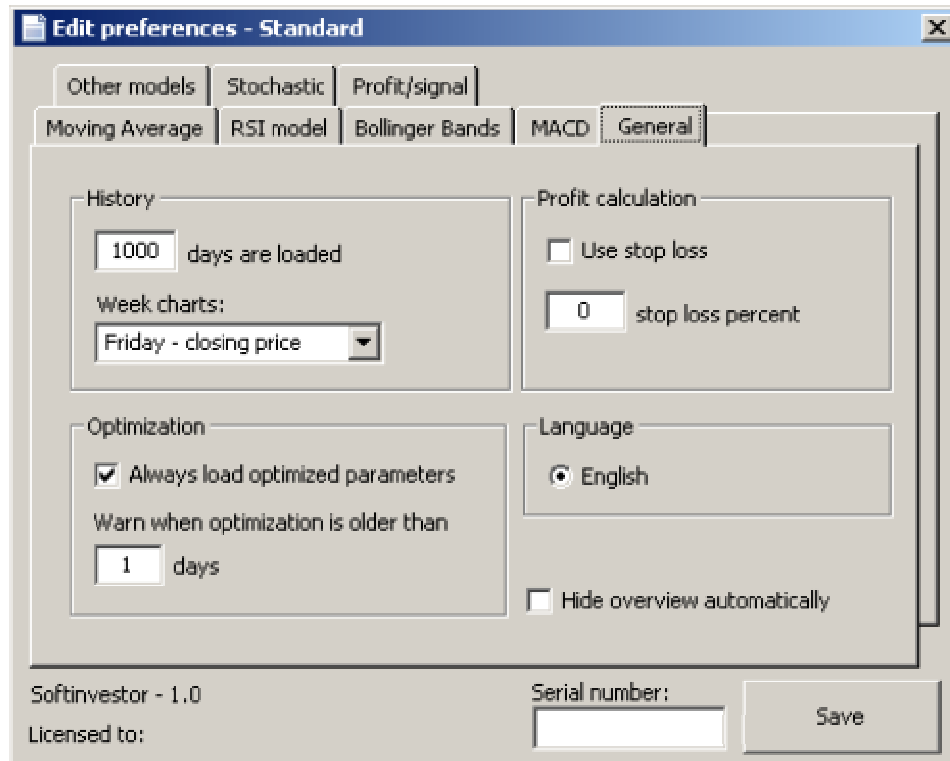
Status window

The Status window lets you save comments to your instruments and keep up with when you last optimized the different parameters. You can click Use optimized parameters to use Softinvestor's best calculated parameters. It is necessary to run optimization before these parameters will show on your charts.



Preferences

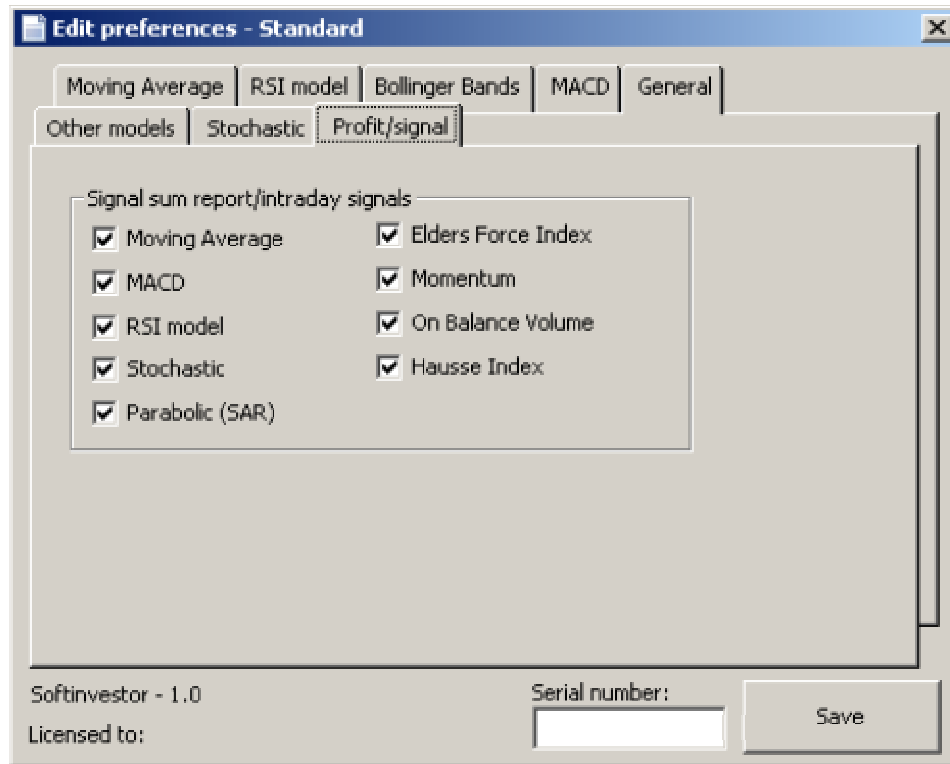
Open Preferences by clicking Setup > Preferences or the icon in the left toolbar as described in More options. In the General tab you can choose whether you want to use Friday's or Wednesday's closing price, stop-loss or not, the amount of historical data loaded, and if you want to be warned about old parameters.



Be careful with loading too much historical data – the calculation time will expand.

Choose a technical analysis model tab to change standard parameters.

In the Profit/signal tab you can choose which signals to include in the Signal sum report and Signal counter.



User profiles

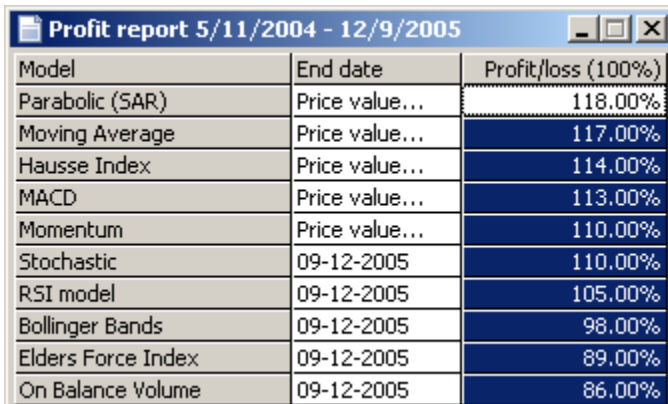
With Softinvestor you can have up to 5 different user profiles. In your workspace click Setup > Standard, Short term, Medium term, Long term, User profile 1 or User profile 2 to switch user profile. User profiles allow you to quickly and easily analyze your instrument based on different criteria sets.

Quick optimization and Profit report

You can use Quick optimization to get a brief overview of an instrument and to find out if it is interesting from your criteria perspective. Click Optimization > Quick short term optimization or Quick long term optimization (depending on your investment horizon) to run a predefined set of parameters for all optimizable models in Softinvestor.

When the optimization is done the Profit report will show you how the models performed according to your starting point (100%). Go to the Profit calculation to find your profit by simply holding the instrument.

The Profit report gives you an inside view of which technical analysis models work with your chosen instrument.



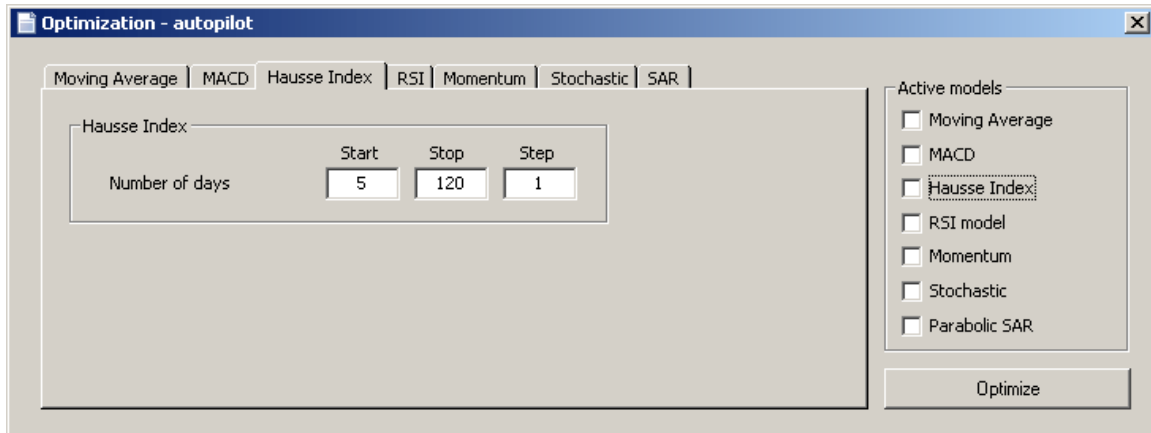
The screenshot shows a window titled "Profit report 5/11/2004 - 12/9/2005". It contains a table with three columns: "Model", "End date", and "Profit/loss (100%)". The data is as follows:

Model	End date	Profit/loss (100%)
Parabolic (SAR)	Price value...	118.00%
Moving Average	Price value...	117.00%
Hausse Index	Price value...	114.00%
MACD	Price value...	113.00%
Momentum	Price value...	110.00%
Stochastic	09-12-2005	110.00%
RSI model	09-12-2005	105.00%
Bollinger Bands	09-12-2005	98.00%
Elders Force Index	09-12-2005	89.00%
On Balance Volume	09-12-2005	86.00%

Tip: Click the Profit/loss column to sort data.

Autopilot

Use the Autopilot to run customized parameters on all instruments in your stock-list by clicking Optimization > Autopilot. Softinvestor will calculate optimized parameters from your criteria.



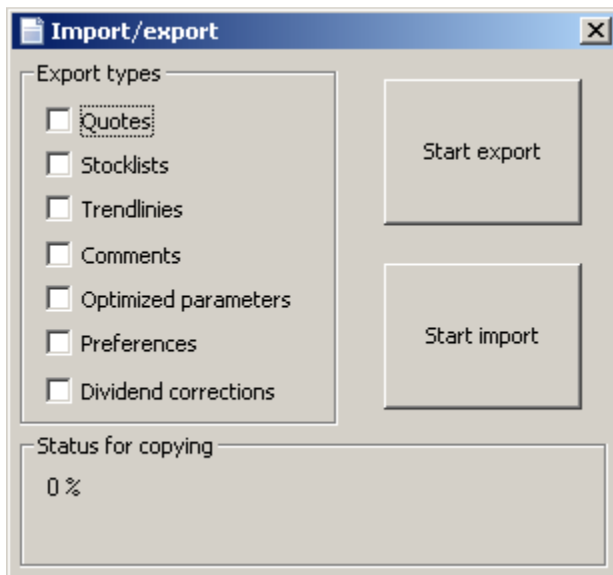
Be careful when using the Autopilot – it consumes a lot of time if you have too many combinations.

Reset parameters

If you want to reset optimized parameters for a single instrument, select the instrument and click Optimization > Reset. If you want to reset optimized parameters for all instruments click Optimization > Reset (all). You cannot undo this task – you have to optimize again if you wish to use optimized parameters.

Import/export settings

To import or export settings click File > Import/Export. Check the settings you want to import or export and click Start import or Start export to continue.



Softinvestor will name the files itself; you only have to choose the destination folder.

TECHNICAL ANALYSIS MODELS

Moving Average Convergence Divergence (MACD)

The MACD proves most effective in wide-swinging trading markets. Buy when the MACD rises above its signal (or zero) line, sell when the MACD falls below its signal (or zero) line - also look for overbought/oversold and divergence between MACD and security price. A bearish divergence occurs when the MACD is making new lows while prices fail to reach new lows. A bullish divergence occurs when the MACD is making new highs while prices fail to reach new highs. Both of these divergences are most significant when they occur at relatively overbought/oversold levels.

On Balance Volume (OBV)

OBV is a momentum indicator, it shows if volume is flowing into or out of a security. OBV usually changes precede price changes. This is because smart money can be seen flowing into the security by a rising OBV, and when the public then moves into the security, both the security and the OBV will move higher. If the security's price movement precedes OBV movement, a "non-confirmation" has occurred. Non-confirmations can occur at bull market tops or at bear market bottoms. The OBV is in a rising trend when each new peak is higher than the previous peak and each new trough is higher than the previous trough. Likewise, the OBV is in a falling trend when each successive peak is lower than the previous peak and each successive trough is lower than the previous trough. When the OBV is moving sideways and is not making successive highs and lows, it is in a doubtful trend. Once a trend is established, it remains in force until it is broken.

Bollingers Bands (BB)

The basic interpretation of Bollinger Bands is that prices tend to stay within the upper- and lower-band. The distinctive characteristic of Bollinger Bands is that the spacing between the bands varies based on the volatility of the prices. During periods of extreme price changes (i.e., high volatility), the bands widen to become more forgiving. During periods of stagnant pricing (i.e., low volatility), the bands

narrow to contain prices. The bands are plotted two standard deviations above and below a simple moving average. They indicate a sell when above the moving average and a buy when below it.

Elders Force Index (EFI)

EFI uses volume and price change from previous close to determine the momentum behind a price move in a given direction. An increasing EFI is indicative of strong interest in the direction of the price move, while a decreasing EFI suggests that price is moving counter to the major trend.

Momentum

Momentum provides an analysis of changes in prices (as opposed to changes in price levels). Changes in the rate of ascent or descent are plotted. The Momentum line is graphed positive or negative to a straight line representing time. The position of the time- line is determined by price at the beginning of the Momentum period. Traders use this analysis to determine overbought and oversold conditions. When a maximum positive point is reached, the market is said to be overbought and a downward reaction is imminent. When a maximum negative point is reached, the market is said to be oversold and an upward reaction is indicated.

Parabolic Stop-And-Reverse (SAR)

The Parabolic is a Time/Price system for the automatic setting of stops. The stop is both a function of price and of time. The system allows a few days for market reaction after a trade is initiated after which stops begin to move in more rapid incremental daily amounts in the direction the trade was initiated. For example, when a long position is taken the stop will move up regardless of price direction. However, the distance that the stop moves up is determined by the favorable distance the price has moved. If the price fails to move favorably within a certain period of time, the stop reverses the position and begins a new time period.

Relative Strength Index (RSI)

The indicator is used to measure the underlying strength of a market move. Because it ranges from 0 to 100 the strength of a market during the current period can be directly compared to that of any other period. When MA(RSI) crosses down through RSI below the signal line a buy signal is given. A sell signal is given when MA(RSI) crosses up through RSI above the signal line.

Stochastic

Stochastic studies are based on the premise that as prices rise, closing prices tend to be near the high value. Conversely, as prices fall, closing prices are near the low for the period. Stochastic studies are made of two lines, slow and fast, that move between a scale of 0 and 100. The slow line is the moving average over a specified period of time of the fast line. The fast line measures where the closing price is compared to the price range for a given number of periods. When the slow line crosses down through the fast line below the signal line a buy signal is given. A sell signal is given when the slow line crosses up through the fast line above the signal line.

Moving Average (MA)

An average of data for a certain number of time periods. It "moves" because for each calculation, we use the latest x number of time periods' data. By definition, a moving average lags the market. An exponentially smoothed moving average (WMA) gives greater weight to the more recent data, in an attempt to reduce the lag. When MA1 crosses up through MA2 a buy signal is given. A sell signal is given when MA1 crosses down through MA2.

Hausse Index

Hausse Index is a lagging indicator like MA and should be used for confirming trends. Hausse Index is calculated as the sum of days with highest or lowest price over a time period. For example if the closing price is the highest for the chosen period it will have a value of 1 – and -1 in case of the lowest. A buy signal is given when Hausse Index crosses the zero-line upwards and a sell signal when it crosses downwards.