INVESTMENT STRATEGIES
COURSE SYLLABUS

Professor Robert H. Stovall, CFA / Course # B40.3122
Spring Semester 2003 / NYU Stern
Class Meets Wednesday Evenings from 6:00 PM to 8:50 PM

This course will discuss various investment strategies utilized by recognized authorities in the financial services industry. It aims to give you practical insights into deciding which strategies are more effective than others and why. Free copied materials are supplied by the professor. Texts are useful but optional.

Our objective is to give you a subjective and anecdotal approach to security analysis, relative valuation, industry and group rotation, market timing, market-neutral investment techniques and asset allocation. We will not include modern portfolio theory. Guest lecturers will be used to explore success or failure in the “New Economy”, investment trusts (open and closed end), sector analysis, quantitative portfolio development, fundamental and technical analysis, plus key fixed income concepts.

Old and new market theories will be discussed, including various sentiment, psychological, and cyclical influences on securities prices, plus value, growth and momentum investing.

We will also cover marketplace history and case studies of such tools as internet day trading, political linkage to securities price performance, interest rate sensitivity measurements and the rationale behind contrary opinion strategies.

Optional Texts:


March 26
Guideposts to security analysis and valuation. Institutional dominance vs. individual re-emergence. Various investment themes: fear vs. greed; internationalization, bond/stock/cash allocations. Price-to-sales vs. price-to-earnings and cash flow measurements; Identifying take-over targets.

April 2
**GUEST SPEAKER: Ralph Acampora, CMT**
Using the basics of technical analysis to chart future price patterns of stocks and bonds. Defining the various phases of price activity. A detailed rationale for the millennium markets.

April 9
**GUEST SPEAKER: Stuart Veale**
This lecture discusses the three most powerful tools in managing fixed income portfolios: Duration, convexity, and option adjusted spread analysis.

April 16
**GUEST SPEAKER: Stuart Veale**
This lecture illustrates the entire portfolio design process from objective setting to annual review – paying special attention to strategic asset allocation.

** MIDTERM ASSIGNMENT DUE (in class or post marked by 4/16/03).**

April 23
**GUEST SPEAKER: David J. Braverman, CFA**

April 30
**GUEST SPEAKER: Sam Stovall, CFP**
The basics behind sector investing. How the economy impacts industries, companies and their stock prices. Sector investing via mutual funds. Linkage between sector rotation and asset allocation.

May 7
**FINAL EXAMINATION (5:30 PM - 8:00 PM)**
Using the media as a tool, watch these television programs:

- CNBC -- “Money Wheel” and “Squawk Box”, etc (7 days on cable)
- CNBC -- “Louis Rukeyser’s Wall Street” (Friday night at 8:30 PM)
- CNN -- “Ahead of the Curve” and “Moneyline” (Weekdays on cable plus weekend specials)
- PBS -- “Nightly Business Report” (Weeknights on channel 13 at 6:30 PM)

Listen to one of these news radio stations to keep informed of financial and other news:

- WCBS -- 880 AM (Every 25 minutes, at 25 and 55 minutes past every hour)
- WINS -- 1010 AM (Every 25 minutes, at 25 and 55 minutes past every hour)
- WBBR -- 1130 AM (Bloomberg Network – 24 hours)

Also be familiar with these business magazines:

- Barron’s (Weekly – Saturday)
- Business Week

MOST IMPORTANT – read at least one of these every day:

- Investor’s Business Daily
- The Financial Times
- The New York Times
- The Wall Street Journal

If you have questions about this course, see Whitney Phaneuf, Finance Dept, 998-0364 / wphaneuf@stern.nyu.edu