

PRODUCT REVIEW

The Profile Analyzer

PERFORMANCE TRADING TECHNOLOGIES, INC.

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Product: Markets database and search engine to answer market behavior queries.

Equipment requirements: 486 SX-33 or faster (Pentium 133 preferred), 8 MB RAM (16 MB preferred), 10 MB hard disk space; VGA or better video; Windows 3.1, Windows for Workgroups 3.11, or Windows 95, 98, or NT.

Price: \$625 per month

by John Sweeney

What happens after gaps in cattle? Or bonds? Or economic reports that produce unexpected results? Not just what you recall but, statistically, what actually *happened*? If you're a futures trader, Profile Analyzer may have some answers, using experience from 1991 forward as your guide. Profile Analyzer will dump a database of data, text, and pricing on your hard drive and then query it for events as you specify. For example: bond pops. If they go to new highs, do they keep going? Well, it turns out they do, but how do you *know* that? Some homework was required.

INSTALLATION

You put the software on your machine simply enough. It takes four floppies, a security key on your printer port, and about 38 MB of space on your hard drive.

What about downloads? Performance Trading Technologies (PTT) supplies data for various futures over the Internet in its proprietary format for Profile Analyzer users, included in the subscription cost. The process involves downloading an end-of-day datafile to your Profile Analyzer update directory and running it to distribute the data.

An individual commodity database holds such things as economic reports, prices, your notes, Market Profile days and patterns, day of the week, and so forth. Fortunately, you can simply browse the database to see what's in it. Using the database editor, you can mouse around to find everything. You'll find abstruse stuff: the TIPS Auction, nearly every economic report, Market Profile-day types (as well as user-defined days), and text comments. You may also find data you've imported from other sources. When you start asking questions, you'll find tons of items from which to choose.

WHAT DO YOU DO?

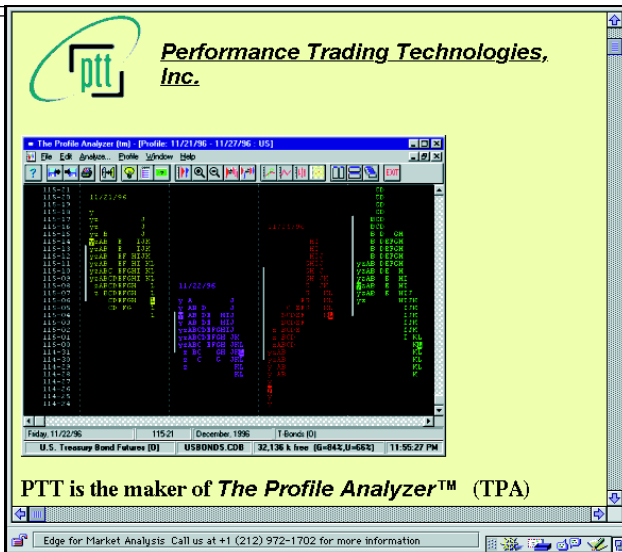
You could start by simply using the Profile Analyzer to get information. It has a basic charting function and a sophisticated Market Profile depiction (Figure 1), with price scales that can be turned on and off. You position your cursor at the point about which you are curious to read about the pricing and timing.

Mostly, though, you must have some

questions about the market that you need to have answered. What, for instance, are the mean and standard deviation of the daily ranges following a Market Profile trend day up? Or down? What is the typical intraday relative strength index (RSI), given three consecutive nontrend days? What patterns of trading dominate going into an unemployment report? What price behavior is common during a full moon?

A good example of a more penetrating analysis is what happens when the Consumer Price Index (CPI) comes out. Profile Analyzer can show you what happens when things are lower or higher than expected or even as expected, giving you range, first half-hour range, change, average high vs. open, average low vs. open and, say, the price a week later. Cunningly, it points out that the bonds' immediate reaction isn't the day's range; 93.5% of the time, bonds will trade beyond the range set in the first half hour of an announcement day. Aggressive traders will look to get an extra 14 ticks out of those days.

To ask your question of Profile Analyzer, you don't learn a new language — unless you've never been exposed to logical evaluation. Figure 2 shows that Performance Trading Technologies has structured the input process for you, providing up to six questions, each pair of which is enclosed in a separate logical clause. By clicking "ands" and "ors," you may construct most conceivable combinations.



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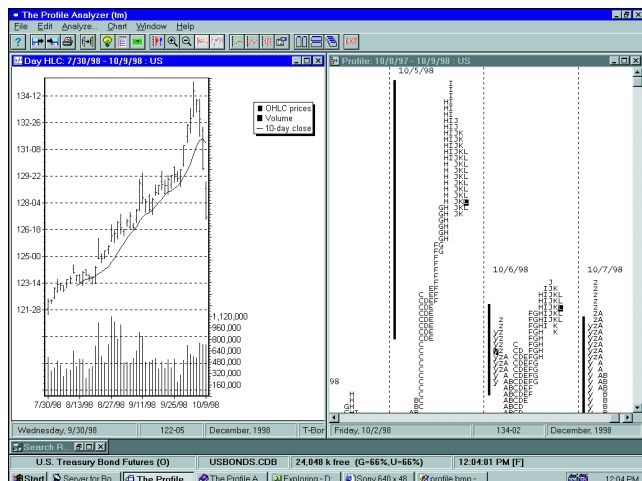


FIGURE 1: QUERY. A trader selects the fifth of six possible logical clauses available in a Profile Analyzer inquiry. Aside from the host of canned questions, traders can construct customer queries and refer to values computed in Profile Analyzer's embedded spreadsheet.

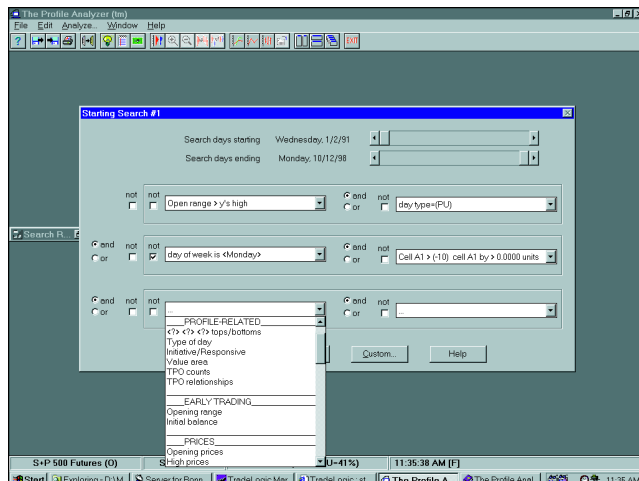


FIGURE 2: MARKET PROFILE. Bonds shoot up to an intermediate peak on October 5, 1998. Profile Analyzer comes with a variety of ways of displaying Market Profile information as well as traditional charts.

Next, look at each scrollable field. Here, you select questions already made up for you. They deal with Market Profile specifications, early trading behavior, prices, volume and open interest, trading period price relationships, technical indicators (RSI, stochastics), specifications in a spreadsheet, and a miscellaneous category that includes economic reports, notes, times, and dates. Profile Analyzer includes a separate 16,000-cell spreadsheet for every day of every market database. Your queries can refer to specific cells in the spreadsheet.

Moreover, the built-in programming language (TPABasic) has the capability of reading data from external sources (files, spreadsheets via OLE) and putting it into the spreadsheet, or other parts of the database. An example would be importing yield curves, something not in the Profile Analyzer database. Actually, TPABasic can even take prices from the market section of the database and put them in the spread-

sheet for further analysis.

TPABasic can control external applications like Word and Excel via OLE automation. It can call analytics modules written in external code (for example, option pricing DLLs written in C that get data from databases across the network). If either the data or the analytics in Profile Analyzer don't suffice, evolution is possible using your programming or, for a fee, Performance Trading Technologies will do the programming for you.

SUPPORT

Performance Trading Technologies gets you started by running you through a software demonstration. The orientation takes between an hour and two hours, after which you should be proficient at basic inquiries. When questions arose about usage (no programming or communications glitches popped up during my testing), I found E-mail response to

be relatively quick, no slower than overnight and usually faster. Phone response was quick as well.

In all, what's here can help you find a tradable edge.

SUMMARY

Profile Analyzer fills a niche and it doesn't require a 128 MB Sun Ultra workstation to run it; your Pentium will do nicely. While the temptation to ask overly simple and/or simply dumb questions is always there, astute analysts will like the ability to get a read on the behavior of the market using summary statistics. In all, what's here can help you find a tradable edge at a competitive price.

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