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CONVERGENCE OF MATCHED EQUITY PAIRS; NORMALIZING PAIRS
DIVERGENCE; CONCLUSION; Part III: The Technical Analysis Element
Chapter 7: Technical Tools and Indicators MARKET STRENGTH
INDICATORS; MOVING AVERAGE INDICATORS; VOLUME AS AN
INDICATOR; CONCLUSION; Chapter 8: The Technicals of Pairs Trading;
PAIRS APPLICATION OF MOVING AVERAGE INDICATORS; PRICE TREND IN
PAIRS TRADING; CONCLUSION; Part IV: The Unified Theory; Chapter 9:
Reviewing the Elements; THE MARKET-NEUTRAL ELEMENT; THE
ARBITRAGE ELEMENT; THE TECHNICAL ANALYSIS ELEMENT; Chapter 10:
Trading Pairs Fundamentally; THE FUNDAMENTAL APPROACH;
FUNDAMENTALS APPLIED; PORTFOLIO CONSTRUCTION; PROBLEMS WITH
THE FUNDAMENTAL APPROACH; THE VERDICT
Chapter 11: The Technical Approach THE ELEMENTS COMBINED;
GETTING STARTED; UNDERSTANDING PAIRS TECHNICALLY; TECHNICAL
CHARTING AND MARKET NEUTRALITY; TECHNICAL CHARTING AND
RELATIVE-VALUE ARBITRAGE; APPLYING OTHER TECHNICAL
INDICATORS; SELECTING PROFIT OBJECTIVE AND STOP-LOSS LEVELS;
UNIFYING THE APPROACH; Chapter 12: The Overlays; THE
FUNDAMENTAL OVERLAY; THE TECHNICAL OVERLAY; CONCLUSION;
Chapter 13: The Unified Pairs Trading Theory; PUTTING IT ALL
TOGETHER; FORMULATE THE SELECTION CRITERIA; DETERMINE THE
CANDIDATES; THE OVERLAYS; EXECUTE THE TRADE; MANAGE THE
TRADE; CLOSE THE TRADE
CONCLUSION Part V: Advanced Strategies and Examples; Chapter 14:
Options Basics: Terms and Strategies; BASIC TERMS; BASIC STRATEGIES;
CONCLUSION; Chapter 15: Pairs Trading with Options; THE OPTIONS
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TRADING WITH VERTICAL SPREADS; BACK SPREADS; COMBINING THE
STRATEGIES; Chapter 16: Futures and Currencies; EXTRINSIC EVENTS;
NATURAL CORRELATION; SPEED; CURRENCIES; OPTIONS ON FUTURES;
CONCLUSION; Chapter 17: Trade Examples; THE FUNDAMENTAL
TRADE; THE TECHNICAL TRADE; THE BLENDED APPROACH TRADE:
APPLICATION OF THE UNIFIED THEORY; USING OPTIONS
CONCLUSION

Sommario/riassunto

Learn both the theory and practice of pairs trading, why it is consistently profitable, and how you can apply the strategies in your own trading with this valuable guide. Author Douglas Ehrman covers pairs trading involving stocks, options on stocks, and futures contracts, and explains how this type of trading allows you to profit from the changing price relationship of securities. In addition to a comprehensive discussion of the theories involved, he also includes practical examples that will help you put what you've learned into practice. Douglas S. Ehrman is a hedge fund manager and a
