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# WELCOME to 'PROFIT'!

Many people have a burning question... Can I really make money playing the markets with my PC?

Take the 'Profit' challenge and see if your PC skills can help you beat the market. This game/simulation that will help you test and improve your ability at playing the stockmarket using your PC and graphical analysis. Now you can find out whether you really can beat the city 'wiz-kids'?

'Profit' displays real price histories in front of you, at random. It gives you three leading indicators - Stoploss, Moving Average and Market Overlays. It gives you a detailed score card at the end of each game - the companies you invested in - and the vital investment statistics of your trading activity.

## ••• Why 'Profit'?

Optimum supply a full range of OPT-III teletext hardware and software. Teletext offers the user a wide range of information - all with no on-line costs. A major attraction has always been the wide range of share prices available on teletext.

Investors have often been attracted to the unique advantage of teletext data, automatic share price capture and analysis/graphing, all available to you and your PC. Profit was born out of the frequently asked question - 'Will computer software really help me to make money in the markets?' Optimum have decided to give you 'Profit' to let you prove it to yourself.

Profit gives you the ability to buy and sell shares as a random selection of real share price histories is scrolled in front of you. There is a choice of three key technical indicators to assist you in your buy and sell decisions. The status bar along the bottom of the screen shows you the prices at which you trade and the value of your portfolio as it changes.

# How to Play

## Installation

Run a:setup from Program Manager in Windows

Existing Updata users should not install Profit in their Updata directory, as the selection of price histories is different from your full market data set.

## Running Profit

Double click on the Profit icon to launch the program. Select your Profit Indicators in the dialog box. Try just one indicator at a time to start with - say, a 15% Stoploss. Then select the level of play. The graphs may seem to be drawing fast at first, but in time you will find this to be slow. The yellow line is the share price line, the stoploss is blue when the share is hitting new highs, otherwise it is red. Other indicator colours vary depending on the order in which they are chosen. Moving averages are smooth while the overlay graphs tend to be jerky, like the price line.

Use the cursor keys on your keyboard to trade as follows: To BUY press the <- key To SELL press the -> key

Your portfolio value, and changes will be displayed in the bottom right hand corner of the screen. The prices at which you bought or sold will be displayed to the left of this.

The game will run for three minutes. You can escape at any time by pressing the escape key, or choose to play again by pressing the Start button in the statistics box.

The higher the level you choose, the faster the graphs will be drawn. This gives you more opportunity to increase (or decrease) the value of your portfolio. At the end of each game you will be given a statistics box, telling you which stocks you traded, how much you made, details on your winning and losing trades and overall rate of return. The Rate of Interest (ROI) is the trigger for each new high score you make.

## ••• Tips for maximising your score

The two main rules to buying and selling shares are:

- 1. Cut Losses
- 2. Let Profits Run

The way to do this is:

- 1. To become skilled at spotting reversals in price movement
- 2. Minimise profits on your losing trades
- 3. Maximise profits on your winning trades

Always remember:

- 1. You can sell a falling share and buy back at a cheaper price
- 2. A few big winning trades can outweigh many small losers

## Using the tools that 'Profit' gives you

•• Stoploss - The best way to keep losses small and protect profits

#### Letting Profits run

Stoploss is drawn a chosen percentage below the graph and only moves up when the graph moves above the previous high point. To use stoploss effectively you must sell whenever the graph cuts down through the stoploss. The stoploss spends most of its time going horizontal which is proof that shares often spend more time going down.

#### Cut Losses quickly

Accepting you got it wrong, sooner rather than later can be the most valuable lesson in playing the market. Cut a loss and get back into a good position because 'time is money' - especially if your investments are falling in value. Take loses in your stride and buy back in at cheaper price nearer the bottom.

• Moving Averages - Helping you define turning points in price movement

#### **Spotting Reversals**

Moving averages effectively smooth out short term fluctuations to give a better indication to trends in price movement. When the graph cuts up through the average, this is considered a buy signal. A sell signal is when the graph cuts down through the average.

#### Two averages for crosses

Use two different moving averages for signals where they cross. Buy when the averages cross both pointing upwards - 'golden cross'. Sell when they cross both pointing downwards - 'dead cross'. Some short term averages are too sensitive, while long term ones may give very late signals.

• • Overlaying Market Indices - Spot undervalued and overvalued stocks

### Coming in line with the market

Stocks that under-perform or out-perform the market normally come back into line with the market eventually. A stock that appears overvalued, may be just catching up. The market overlay should help you to spot points of maximum divergence as well as how closely a stock follows the market.

### Showing true performance

The market relative graph effectively takes account of the market. Professionals normally use it as they are interested in outperforming the market. When the relative moves up, the stock is outperforming - down means underperformance. Trends in the relative often show market sentiment for the share

## How Good Are You?

We don't tell you which stocks you have traded until the end of each session, because some people have a prior knowledge. Also, you won't grow to recognise the winning stocks and it focusses you on the graph rather than the company.

## Less than you started with - Poor (under £10,000)

This is a poor performance, though perfectly possible as many of the graphs are of falling shares. The main reason this happens is not cutting losses soon enough, and hoping the price will come good.

## Less than double your money - Fair (under £20,000)

It may seem like three minutes, but you have been playing for around five years on a number of graphs. If you are not doubling your money playing 'Profit', you should probably stick to keeping your money in the bank.

## Double to ten fold increase - Average (£20,000-£100,000)

Despite the horror stories, this is what most investors have managed on their better stocks in the last five years. It is a good performance, but practising 'Profit' should get you better.

## Ten fold to 100 fold - Good (£100,000-£1 million)

Obviously this would be brilliant in the real world. Compounding all your rises can lead to this phenomenal kind of growth. You may find it difficult at this level to get any better.

## Over 100 fold - Excellent (over £1 million)

If you get above this once, this could mean that you were very lucky with some of the graphs being exceptional. If you get this level of score consistently, then you have mastered spotting when to buy and sell. Congratulations!

#### THE RECORD SCORE - (£62 million off £10,000)

If you beat this, there are a few merchant banks who would like to hear from you.

#### Good Luck and we hope you enjoy Profit.

### ARE YOU READY TO BEAT THE MARKETS?

Optimum Technology Ltd have been leaders in the supply of dedicated teletext hardware and software since 1987. If you are interested, and would like a free literature pack on our OPT-III teletext hardware as well as our full range of shares price retrieval, analysis and graphing software please contact us for a free information pack now.

# A 'NO-NONSENSE GUIDE TO OUR TELETEXT PRODUCTS

Remember! - Teletext means no phone bills or on-line charges!

#### HARDWARE

#### **OPT-III TELETEXT CARD**

A half-length PC card - 'easy install' - no IRQ's/com ports. Requires a good (usually external) television antenna. DOS software is included as standard. Allows you to manually or automatically view, print and save specified pages from a mix of channels. Automatically save specified shares prices (including 'Teletext 400' and 'Teletext 2000' services) to disk, as a nicely formatted ascii text file. Automatically set your PC clock to the accurate teletext time signal. Programmers can use the supplied device driver for integrating teletext into their own applications. Optional OPT-III For Windows software adds more functionality.

#### OPT-III/S EXTERNAL RECEIVER

Similar in functionality to the OPT-III Teletext Card but connects via a standard RS232 serial port. It is therefore ideal for the portable notebook user who is unable to plug in a PC card. It is also an attractive choice for the PC user, who chooses not to install a plug-in card inside his PC. It's external design offers added flexibility e.g. bringing the unit home from the office at night. Includes dos software. Optional OPT-III For Windows software adds more functionality. For the programmer, it offers substantial advantages. Unlike our internal card, the OPT-III/S does not require a device driver - containing its own CPU, it is a 'stand-alone' box able to output teletext data to any unit, regardless of language - it communicates via a serial port - it can even be used with a 'dumb' terminal! It is currently in use at a wide variety of sites with PC's, Macs, Suns, unix boxes etc.

£295

#### **SOFTWARE**

#### **OPT-III FOR WINDOWS**

#### £49

Includes similar 'Windows' functionality to our DOS programs and much more.... Multiple teletext windows. Scan specified pages for words of interest, with 'Keyword' search, and save/print those pages. 'Live' 'DDE' links into 'DDE' spreadsheets (Typically used for say up to 50 shares - not for hundreds). For the serious Windows/C developer, who wishes to integrate teletext into their own

£169

applications, a free 'Windows Developers Toolkit' is available on request - please phone for details.

#### **UPDATA 'SHARES'**

£195

£495

Used with one of our teletext receivers, 'Shares' offers powerful 'Teletext 400' shares storage, analysis and graphing. (Add 'Teleshares' for 'Teletext 2000' analysis and graphing.) Includes free price histories.

#### UPDATA 'INVEST'

Also using the 'Teletext 400' service, it is targetted at the serious investor. It adds to 'Shares' functionality, including currencies, 'leaders and laggards', short term indicators and more. (Add 'Teleshares' for 'Teletext 2000' analysis and graphing.) Includes free price histories.

#### **UPDATA 'TELESHARES'**

£95

Captures, stores, sorts and displays all 'Teletext 2000' 2000+ closing shares prices. Includes export to Excel, ASCII import/export, 'DDE' export etc. No graphing. Use with 'Shares or 'Invest' for full graphing.

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PLEASE CALL US IF YOU HAVE ANY QUESTIONS ABOUT THE ABOVE.

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