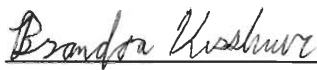


Stock Market Simulation

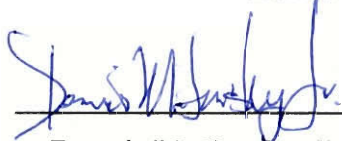
An Interactive Qualifying Project
submitted to the faculty
of the
WORCESTER POLYTECHNIC INSTITUTE
in partial fulfillment of the requirement for the
Degree of Bachelor of Science
by



Jared B. Elliott



Brandon E. Kershner



Dennis M. Jansky, Jr.

Date: February 13, 2003

Approved:



Professor Dalin Tang, Advisor

1. stocks
2. investing
3. simulation

Abstract

This is a study of the stock market, concentrating on short term trading and day trading. It includes some background into these strategies and our approach to these different strategies. A stock market simulation was then completed in order to understand how these two strategies work in real life, in hopes that a person might be able to use some of the lessons learned herein to investing in the stock market. We also kept track of the portfolio in a long-term investment strategy, to gain some insight into the benefits and the drawbacks of using short term trading and day trading strategies.

Acknowledgements

Our group would like to thank our advisor, Professor Dalin Tang, for guiding and advising us on this project, and for his support during it. Dennis would like to thank his parents, Deborah and Dennis Jansky, for always being there for him, having faith in him, putting him through college, and who never let him quit. He would like to thank his uncle, Ronald Boyd, for always being there to lend him support when he needed it. He would also like to thank his girlfriend, Erin Segal, for having faith in him and being there when others weren't. Jared would like to thank his parents, Marcia and Harold Elliott, for their support and encouragement in his schooling and during this project. He would also like to thank Dale Snyder from Academic Advising for her guidance and counseling during this project and for her overall support. Brandon would like to thank his parents, Barbara and James Kershner, for their support and encouragement in his schooling and during this project. He would also like to thank his uncle, Richard Brandon Kershner Jr., for being his role model for academic excellence.

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Chapter 1

Introduction

This Interactive Qualifying Project (IQP) is a stock market simulation. Our task is to buy and sell stocks using a set starting capital of \$20 million. Of course all this is on paper and no real money will trade hands. We have chosen to invest this capital using three different methods: Day Trading, Short-term Trading, and Long Term Trading, that will hopefully prove rewarding over the 3 month period for which we have decided to invest. Trading will be done primarily in stocks within the portfolio we have created but will also include stocks that might be performing well during our trading period, which we did not foresee when first creating the portfolio.

1.1 Statement of Goals

The goals of our IQP are the following:

- a. To make a profit on our initial investment.
- b. To have a better return on our investments, over the period that we are investing, than that of the market over the same period.
- c. To obtain a better understanding of the stock market and how to invest in it wisely and profitably.

The first and is easily understood. We want to come out with more money than we started with at the beginning of our project. The second goal will be interpreted two separate ways:

- 1) Beat the market for each specific method of investment, to be discussed later in this chapter.
- 2) Beat the market's return on investment (ROI) with our overall ROI.

What is meant by these interpretations is, we want to see how each specific method held up to the market and how well we performed in each specific method; and then we want to see how our ROI on the \$20 million held up to the market over the period of our investments.

The third goal is also easily understood. In order to make any significant profits over the period of time we are trading we will need to understand the stock market better. If we are able to learn how to detect trends in the different stocks and in the market we can effectively capitalize on its ups and hopefully protect or even make gains when the market goes down.

1.2 Introduction to the methods of investment

For this IQP we chose to invest using three different methods: Day Trading, Short-Term trading, and Long term investing. The first method, Day Trading, covered in chapter 2, will actually be more actively trading than day trading in the strictest of terms. We plan to trade a great many times throughout the day, but we are somewhat limited due to other class obligations. We still plan to follow the ideals of day trading, to trade on a daily basis for profit, but since it is not all that we are doing it is easier to say we are more actively trading stocks and call it day trading.

The second method we will use will still involve actively trading stocks, but we will probably have fewer transactions than we would have while day trading. This method will be called Short-Term Trading and will be covered in depth in chapter 3. This will involve watching trends that are happening from day to day and week to week as opposed to focusing on the fluctuations of the stocks occurring throughout the day.

Our third method of investment does not require much activity at all. This “long term” method will only take place for the three months, but since it will be the whole term of our investment, we will consider it long term and it will be covered in depth in chapter 4. Also, since we plan to make initial investments into these stocks and let them ride, so to speak, we will consider them our long-term investments. This method is more for us to see how well the stocks we picked would fare in the current market and how much better or worse they would do than our trading of them more actively.

1.3 Stock Portfolio

In our simulation, we started with a set of base stocks that we thought would do well in the market based on the research we had done prior to trading. We were going to use these stocks to gage how well we did trading by also investing these in a long-term situation where we wouldn't touch them throughout the simulation. In this way we could see how much better or worse we did trading the stocks from day to day than if we had just left them there to weather the market.

The following table is a list of the companies we chose for our long-term investments. Stocks were chosen from both the New York Stock Exchange (NYSE) as well as the NASDAQ.

Company Name	Stock Symbol	Market
Amazon.com	AMZN	NASDAQ
Coca-Cola	COKE	NASDAQ
Dell Computer	DELL	NASDAQ
Express Scripts	ESRX	NASDAQ
Kraft Foods	KFT	NYSE
Medtronic	MDT	NYSE
Nextel Comms.	NXTL	NASDAQ
Pfizer	PFE	NYSE
TARO Pharm.	TARO	NASDAQ
Utah Med. Prods.	UTMD	NASDAQ
Wal-Mart	WMT	NYSE
Watson Pharm.	WPI	NYSE

Chapter 2

Company Profiles

In this chapter we provided the business and financial summaries of the companies we invested with in our portfolio.

2.1 Amazon.com

Business Summary

Amazon.com, Inc. is a Website where customers can find and discover anything they may want to buy online. The Company lists millions of items in categories such as books, music, DVDs, videos, consumer electronics, toys, camera and photo items, software, computer and video games, tools and hardware, outdoor living items, kitchen and housewares products, toys, baby and baby registry, travel services and magazine subscriptions. Through its Amazon Marketplace, Auctions and zShops services, businesses and individuals can sell virtually any product to millions of customers, and with Amazon.com Payments, sellers are able to accept credit card transactions in addition to other methods of payment. The Company operates a United States-based Website, www.amazon.com, and four internationally focused Websites: www.amazon.co.uk, www.amazon.de, www.amazon.fr and www.amazon.co.jp.

Financial Summary

Amazon.com, Inc., is an online retailer offering items including books, music, DVD/video, toys, electronics, software and home products. For the nine months ended 9/30/02, revenues increased 25% to \$2.50 billion. Net loss before acct. change fell 73%

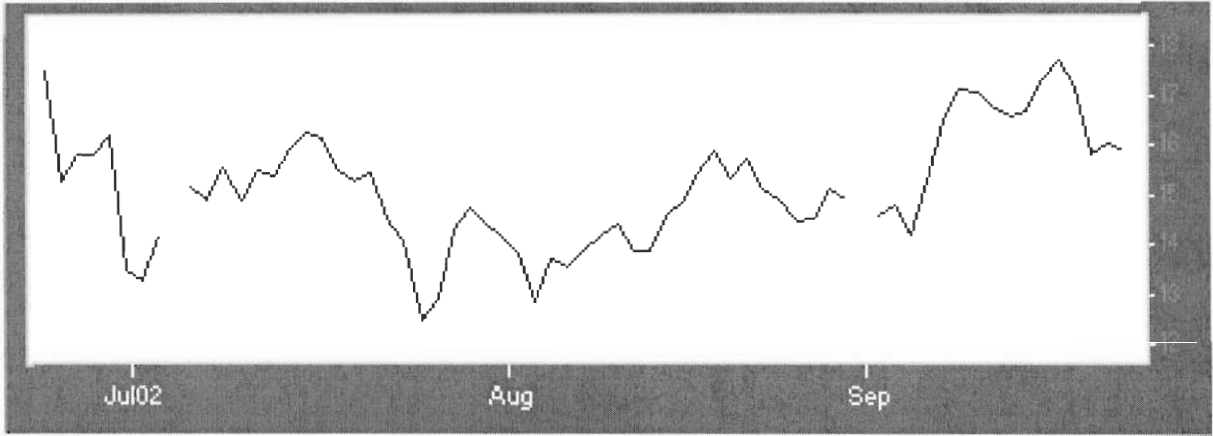
to \$152.6 million. Revenues benefited from recent price reductions for books, a new shipping option and growth in the international segment. Lower loss reflects reduced goodwill amortization and restructuring charges.

Statistics at a Glance -- NasdaqNM:AMZN As of 6-Dec-2002

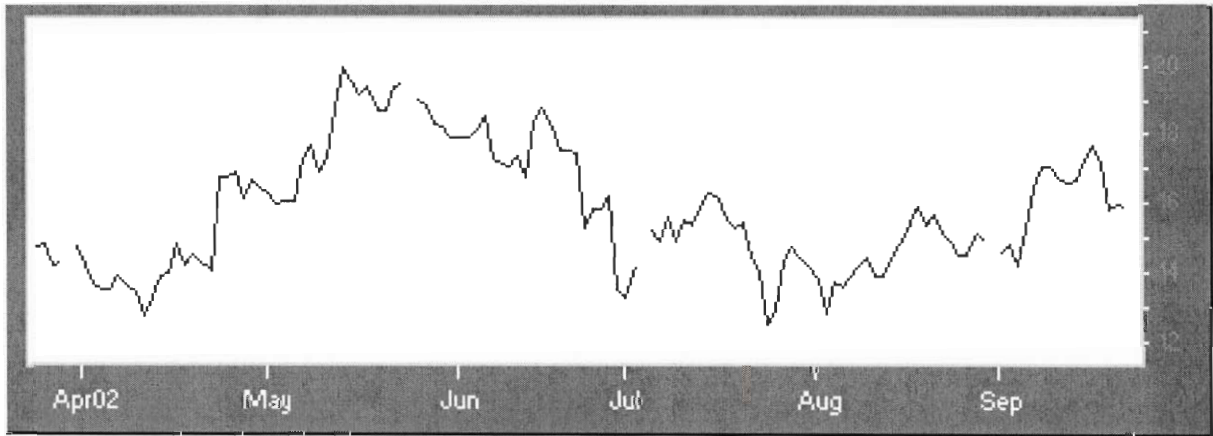
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 16-Jan-2002	\$9.03	Book Value (mrq)	-\$3.88	Return on Assets (ttm)	-9.77%
Recent Price	\$22.56	Earnings (ttm)	-\$0.39	Return on Equity	N/A
52-Week High on 2-Dec-2002	\$25.00	Earnings (mrq)	-\$0.09	Financial Strength	
Beta	2.86	Sales (ttm)	\$9.56	Current Ratio (mrq)	1.57
Daily Volume (3-month avg)	8.87M	Cash (mrq)	\$2.27	Debt/Equity	N/A
Daily Volume (10-day avg)	8.06M	Valuation Ratios		Total Cash (mrq)	\$865.8M
Stock Performance		Price/Book	N/A	Short Interest As of 8-Oct-2002	
52-Week Change	+92.7%	Price/Earnings	N/A	Shares Short	52.3M
52-Week Change relative to S&P500	+144.6%	Price/Sales (ttm)	2.36	Percent of Float	19.7%
Share-Related Items		Income Statements		Shares Short (Prior Month)	47.3M
Market Capitalization	\$8.61B	Sales (ttm)	\$3.62B	Short Ratio	6.24
Shares Outstanding	381.5M	EBITDA (ttm)	\$85.4M	Daily Volume	8.39M
Float	265.2M	Income available to common (ttm)	-\$147.5M		
Dividends & Splits		Profitability			
Annual Dividend	none	Profit Margin (ttm)	-3.9%		
Last Split: factor 2 on 2-Sep-1999		Operating Margin (ttm)	0.2%		
		Fiscal Year			
		Fiscal Year Ends	Dec 31		
		Most recent quarter	30-Sep-2002		

See [Profile Help](#) for a description of each item above; M = millions; B = billions; mrq = most-recent quarter; ttm = trailing twelve months; (as of 30-Sep-2002)

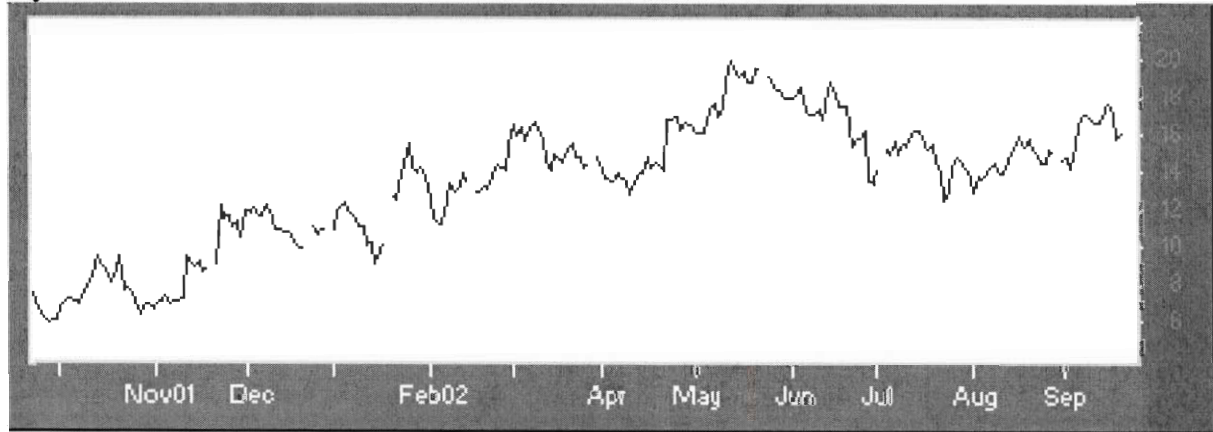
3 months



6 months



1 year



2.2 Coca – Cola

Business Summary

Coca-Cola Bottling Co. Consolidated produces, markets and distributes carbonated and non-carbonated beverages, primarily products of The Coca-Cola Company. In its soft drink operations, the Company holds Bottle Contracts and Allied Bottle Contracts under which it produces and markets, in certain regions, carbonated soft drink products of The Coca-Cola Company, including Coca-Cola classic, caffeine free Coca-Cola classic, diet Coke, diet Coke with lemon, caffeine free diet Coke, Cherry Coke, diet Cherry Coke, TAB, Sprite, diet Sprite, Surge, Citra, Mello Yello, diet Mello Yello, Mello Yello Cherry, Mello Yello Melon, Mr. PiBB, Fruitopia, Barq's Root Beer, diet Barq's Root Beer, Fresca, Minute Maid orange and diet Minute Maid orange sodas.

Financial Summary

Coca-Cola Bottling produces and markets carbonated and noncarbonated soft drink products of the Coca-Cola Company. For the 39 weeks ended 9/30/02, revenues increased 29% to \$957.4 million. Net income totaled \$23.7 million, up from \$11.1 million. Revenues reflect increased sales volume in conjunction with higher sales to other Coca-Cola bottlers. Earnings also benefited from decreased amortization expense of goodwill and intangibles.

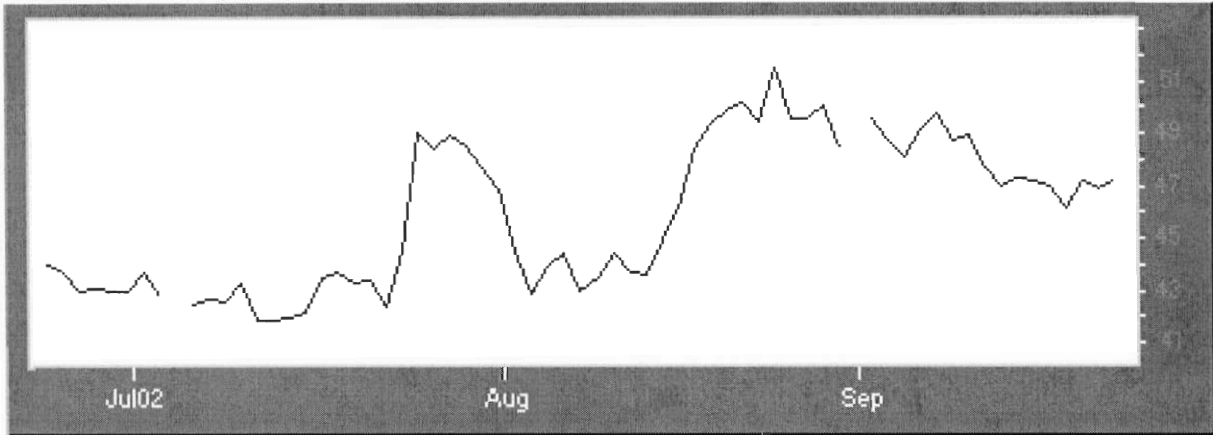
Statistics at a Glance -- NasdaqNM:COKE

As of 6-Dec-2002

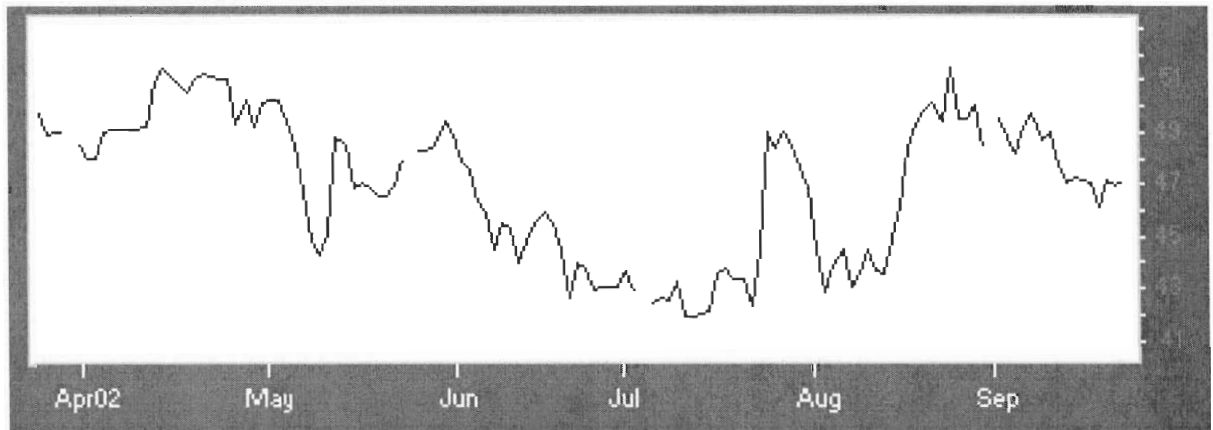
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 3-Jan-2002	\$37.24	Book Value (mrq*)	\$4.76	Return on Assets (ttm)	1.76%
Recent Price	\$58.00	Earnings (ttm)	\$2.47	Return on Equity (ttm)	78.38%
52-Week High on 4-Dec-2002	\$60.00	Earnings (mrq)	\$1.07		
Beta	0.07	Sales (ttm)	\$139.54		
Daily Volume (3-month avg)	18.0K	Cash (mrq*)	\$0.92		
Daily Volume (10-day avg)	12.0K				
		Valuation Ratios		Financial Strength	
		Price/Book (mrq*)	12.18	Current Ratio (mrq*)	0.53
		Price/Earnings (ttm)	23.45	Debt/Equity (mrq*)	19.21
		Price/Sales (ttm)	0.42	Total Cash (mrq*)	\$8.29M
		Income Statements		Short Interest As of 8-Oct-2002	
		Sales (ttm)	\$1.24B	Shares Short	23.0K
		EBITDA (ttm*)	\$175.1M	Percent of Float	2.6%
		Income available to common (ttm)	\$22.0M	Shares Short (Prior Month)	16.0K
				Short Ratio	1.00
		Profitability		Daily Volume	23.0K
		Profit Margin (ttm)	1.8%		
		Operating Margin (ttm)	7.7%		
		Fiscal Year			
		Fiscal Year Ends	Dec 30		
		Most recent quarter (fully updated)	29-Sep-2002		
		Most recent quarter (flash earnings)	30-Sep-2002		

See [Profile Help](#) for a description of each item above; **K** = thousands; **M** = millions; **B** = billions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 30-Sep-2002, except **mrq*/ttm*** items as of 29-Sep-2002)

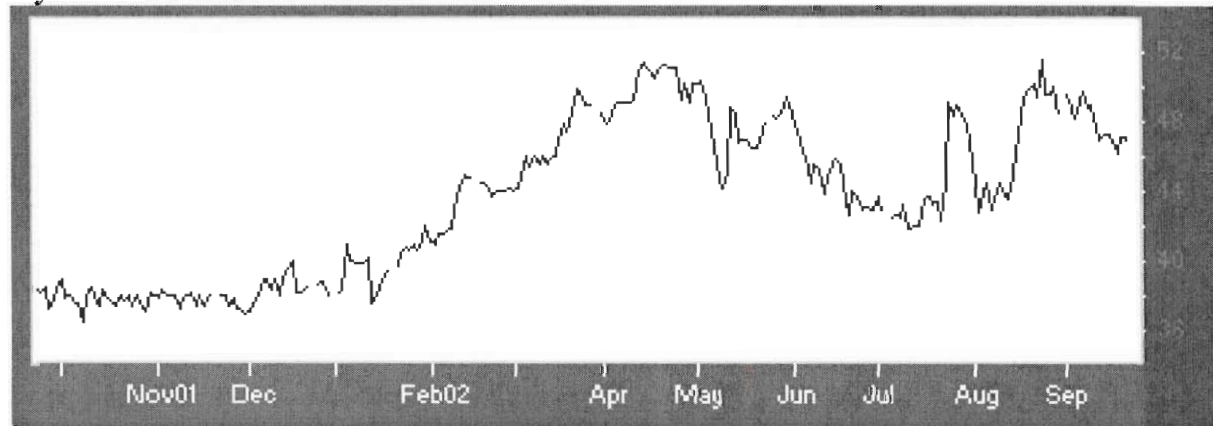
3 months



6 months



1 year



2.3 Dell Corporation

Business Summary

Dell Computer Corporation is a computer systems company and a provider of computing products and services. The Company's primary product offerings include enterprise systems, notebook computers and desktop computer systems. The Dell line of high-performance computer systems includes PowerEdge servers, PowerApp server appliances, PowerVault storage products, PowerConnect networking products, Dell Precision workstations, Latitude and Inspiron notebook computers and OptiPlex, Dimension and SmartStep desktop computers. The Company also markets and sells Dell/EMC storage products under a long-term strategic relationship with EMC Corporation. The Company provides targeted services for consulting, deployment and support, as well as an extensive selection of peripheral hardware, including hand-held products and computing software.

Financial Summary

DELL designs, develops, manufactures, markets and services and supports a range of computer systems, including desktop, notebooks and enterprise systems (including servers and workstations). DELL also markets software, peripherals, service and support programs. For the 39 weeks ended 11/1/02, revenues increased 11% to \$25.67 billion. Net income rose 92% to \$1.52 billion. Results reflect increased desktop sales, along with the absence of consolidation costs.

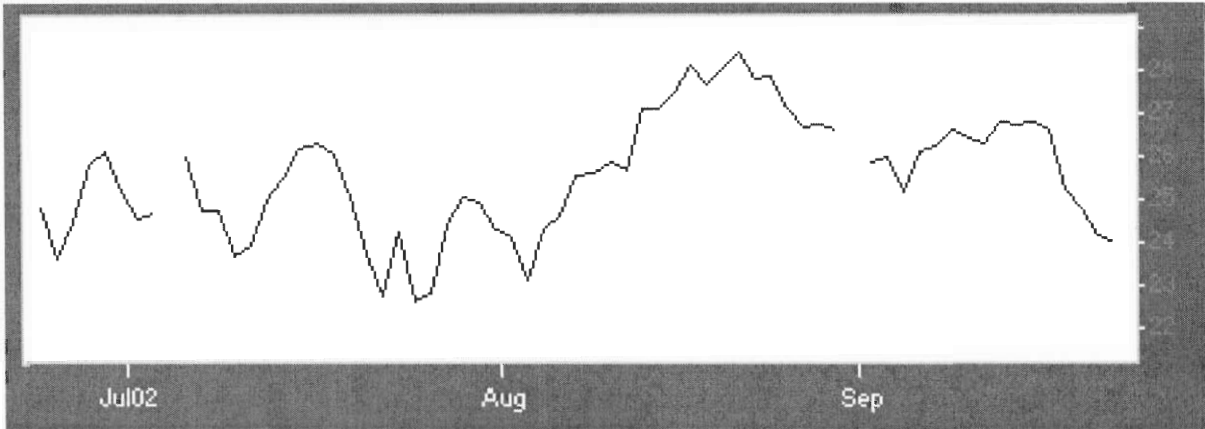
Statistics at a Glance -- NasdaqNM:DELL

As of 6-Dec-2002

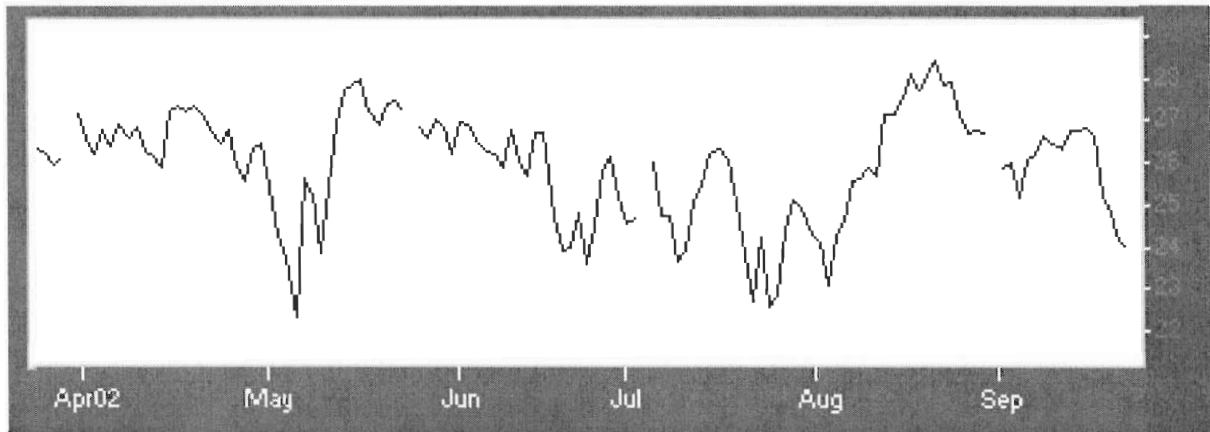
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 27-Nov-2002	\$20.90	Book Value (mrq*)	\$1.80	Return on Assets (ttm)	14.33%
Recent Price	\$28.65	Earnings (ttm)	\$0.74	Return on Equity (ttm)	42.54%
52-Week High on 14-Nov-2002	\$31.06	Earnings (mrq)	\$0.21	Financial Strength	
Beta	1.79	Sales (ttm)	\$12.67	Current Ratio (mrq*)	1.03
Daily Volume (3-month avg)	25.4M	Cash (mrq*)	\$1.67	Debt/Equity (mrq*)	0.11
Daily Volume (10-day avg)	20.0M	Valuation Ratios		Total Cash (mrq*)	\$4.30B
Stock Performance		Price/Book (mrq*)	15.91	Short Interest	
52-Week Change	-1.0%	Price/Earnings (ttm)	38.56	As of 8-Oct-2002	
52-Week Change relative to S&P500	+25.7%	Price/Sales (ttm)	2.26	Shares Short	46.5M
Share-Related Items		Income Statements		Percent of Float	2.0%
Market Capitalization	\$74.2B	Sales (ttm)	\$33.7B	Shares Short (Prior Month)	44.8M
Shares Outstanding	2.59B	EBITDA (ttm*)	\$2.62B	Short Ratio	1.66
Float	2.28B	Income available to common (ttm)	\$1.98B	Daily Volume	28.0M
Dividends & Splits		Profitability			
Annual Dividend	none	Profit Margin (ttm)	5.9%		
Last Split: factor 2 on 8-Mar-1999		Operating Margin (ttm)	7.8%		
		Fiscal Year			
		Fiscal Year Ends	Feb 1		
		Most recent quarter (fully updated)	1-Nov-2002		
		Most recent quarter (flash earnings)	31-Oct-2002		

See *Profile Help* for a description of each item above; **K** = thousands; **M** = millions; **B** = billions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 31-Oct-2002, except **mrq***/**ttm*** items as of 1-Nov-2002)

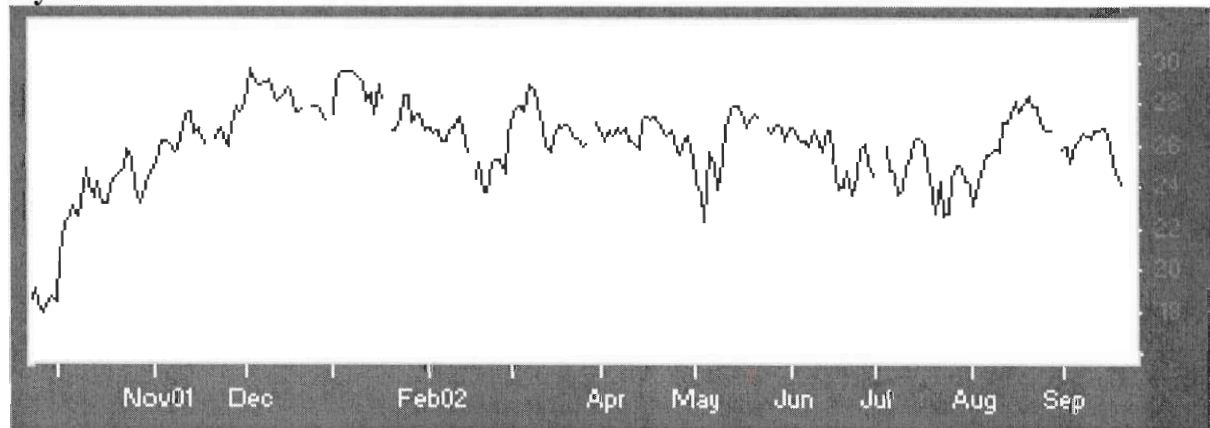
3 months



6 months



1 year



2.4 Express Scripts

Business Summary

Express Scripts, Inc. is a pharmacy benefit management (PBM) company in North America. The Company is independent from pharmaceutical manufacturer ownership, which allows it to make unbiased formulary recommendations to its clients, balancing both clinical efficacy and cost. The Company provides a full range of pharmacy benefit management services, including retail drug card programs, mail pharmacy services, drug formulary management programs and other clinical management programs for approximately 19,000 client groups that include HMOs, health insurers, third-party administrators, employers, union-sponsored benefit plans and government health programs. As of January 1, 2002, some of the Company's largest clients included AARP, Aetna U.S. Healthcare and Blue Cross Blue Shield of Massachusetts.

Financial Summary

ESRX, an independent pharmacy benefit manager and managed care company, provides a broad range of pharmacy benefit and medical information management services, as well as managed vision care programs. For the nine months ended 9/30/02, revenues rose 43% to \$9.58 billion. Net income rose 61% to \$146.6 million. Revenues reflect an increase in the rate of utilization of prescription drugs. Net income also reflects a higher gross profit due to additional volume in SDS.

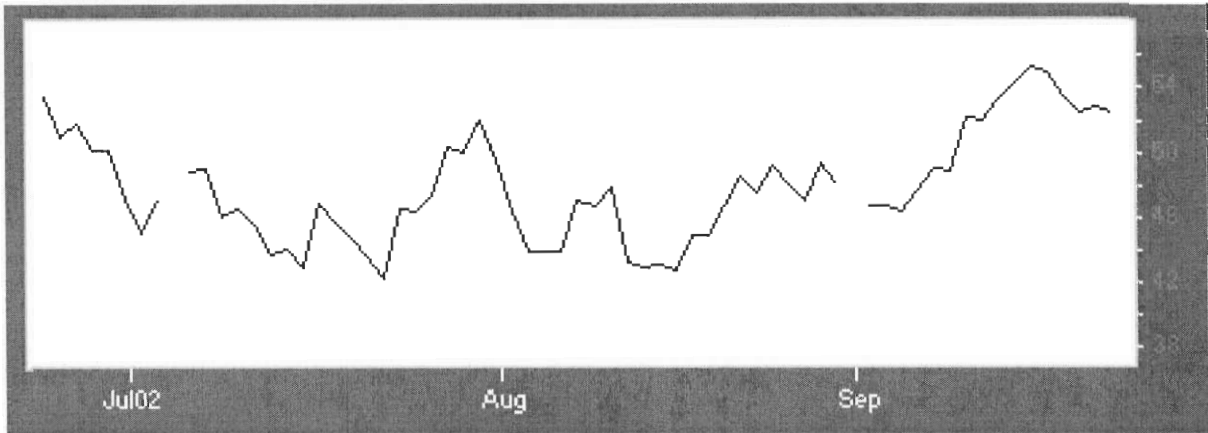
Statistics at a Glance -- NasdaqNM:ESRX

As of 6-Dec-2002

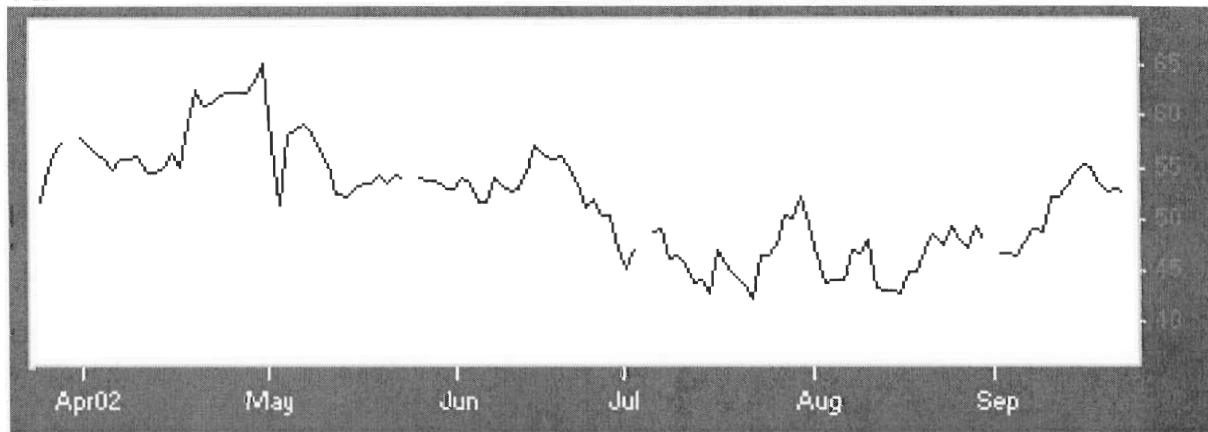
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 15-July-2002	\$38.65	Book Value (mrq)	\$12.41	Return on Assets (ttm)	6.60%
Recent Price	\$49.86	Earnings (ttm)	\$2.27	Return on Equity (ttm)	20.36%
52-Week High on 2-May-2002	\$65.90	Earnings (mrq)	\$0.68	Financial Strength	
Beta	0.25	Sales (ttm)	\$153.19	Current Ratio (mrq)	0.91
Daily Volume (3-month avg)	1.77M	Cash (mrq)	\$2.07	Debt/Equity (mrq)	0.64
Daily Volume (10-day avg)	1.51M	Valuation Ratios		Total Cash (mrq)	\$161.6M
Stock Performance		Price/Book (mrq)	4.02	Short Interest	
52-Week Change	+16.0%	Price/Earnings (ttm)	21.95	As of 8-Oct-2002	
52-Week Change relative to S&P500	+47.2%	Price/Sales (ttm)	0.33	Shares Short	7.62M
Share-Related Items		Income Statements		Percent of Float	12.5%
Market Capitalization	\$3.88B	Sales (ttm)	\$12.2B	Shares Short (Prior Month)	7.27M
Shares Outstanding	77.9M	EBITDA (ttm)	\$430.7M	Short Ratio	4.09
Float	60.9M	Income available to common (ttm)	\$180.8M	Daily Volume	1.86M
Dividends & Splits		Profitability			
Annual Dividend	none	Profit Margin (ttm)	1.5%		
Last Split: factor 2 on 25-June-2001		Operating Margin (ttm)	2.7%		
		Fiscal Year			
		Fiscal Year Ends	Dec 31		
		Most recent quarter	30-Sep-2002		

See [Profile Help](#) for a description of each item above; **K** = thousands; **M** = millions; **B** = billions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 30-Sep-2002)

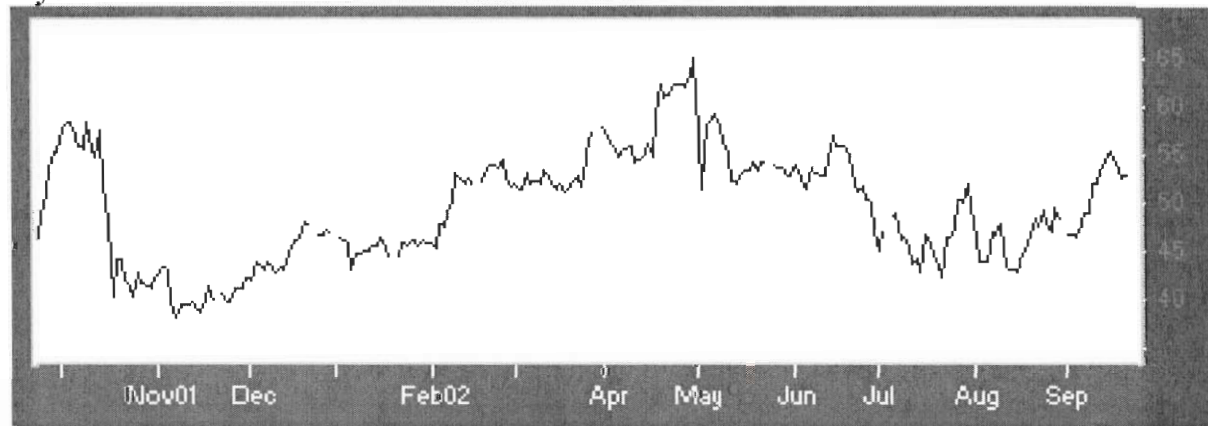
3 months



6 months



1 year



2.5 Kraft Foods, Inc.

Business Summary

Kraft Foods, Inc., together with its subsidiaries, is engaged in the manufacture and sale of branded foods and beverages in the United States, Canada, Europe, Latin America and Asia Pacific. The Company conducts its global business through its subsidiaries, Kraft Foods North America, Inc. and Kraft Foods International, Inc. The Company has operations in 68 countries, and sells its products in more than 145 countries. Kraft Foods North America operates in the United States, Canada and Mexico, and manages its operations by product category, while Kraft Foods International manages its operations by geographic region. Kraft Foods North America's reportable segments are Cheese, Meals and Enhancers; Biscuits, Snacks and Confectionery; Beverages, Desserts and Cereals, and Oscar Mayer and Pizza. Kraft Foods International's reportable segments are Europe, Middle East and Africa; and Latin America and Asia Pacific.

Financial Summary

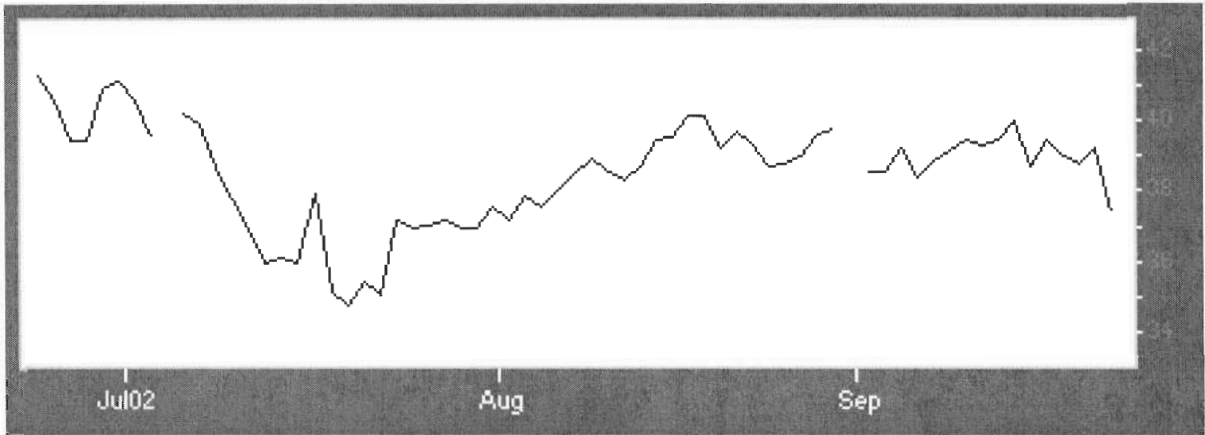
Kraft Foods, Inc. is engaged in the manufacture and sale of retail packaged foods in the U.S., Canada, Europe, Latin America and Asia Pacific. For the nine months ended 9/30/02, revenues rose 1% to \$21.88 billion. Net income rose 85% to \$2.46 billion. Revenues reflect a slight increase in sales of biscuits, snacks and confectionery. Net income also reflects reduced interest costs resulting from Kraft's IPO and a decrease in goodwill amortization charges.

Statistics at a Glance -- NYSE:KFT

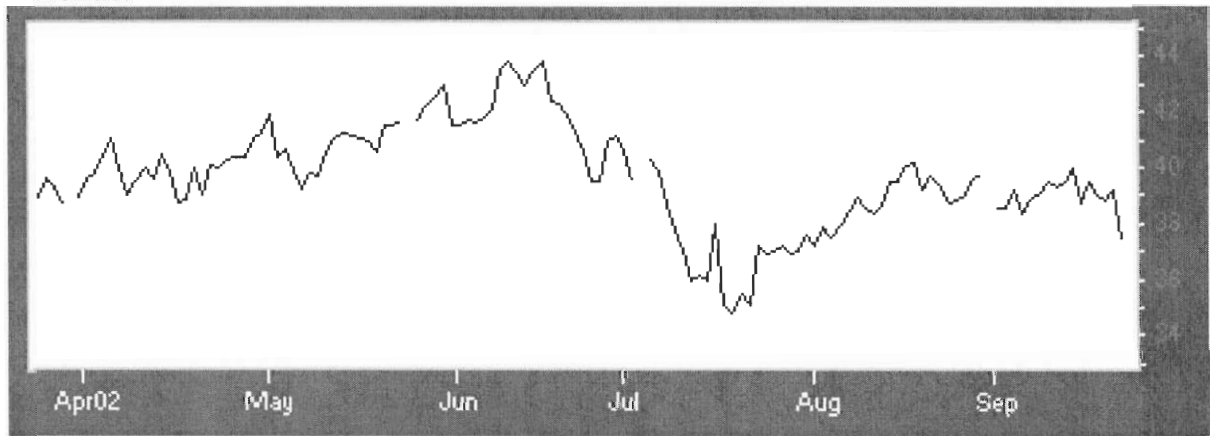
As of 6-Dec-2002

Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 11-Dec-2001	\$31.82	Book Value (mrq)	\$14.62	Return on Assets (ttm)	5.44%
Recent Price	\$38.63	Earnings (ttm)	\$1.73	Return on Equity (ttm)	12.46%
52-Week High on 12-June-2002	\$43.95	Earnings (mrq)	\$0.50		
Daily Volume (3-month avg)	1.83M	Sales (ttm)	\$19.61	Financial Strength	
Daily Volume (10-day avg)	1.82M	Cash (mrq)	\$0.07	Current Ratio (mrq)	0.92
Stock Performance		Valuation Ratios		Debt/Equity (mrq)	0.53
52-Week Change	+20.7%	Price/Book (mrq)	2.64	Total Cash (mrq)	\$127.0M
52-Week Change relative to S&P500	+53.3%	Price/Earnings (ttm)	22.29	Short Interest As of 8-Nov-2002	
Share-Related Items		Price/Sales (ttm)	1.97	Shares Short	8.46M
Market Capitalization	\$66.9B	Income Statements		Percent of Float	3.0%
Shares Outstanding	1.73B	Sales (ttm)	\$34.1B	Shares Short (Prior Month)	7.76M
Float	284.1M	EBITDA (ttm)	\$5.93B	Short Ratio	4.55
Dividends & Splits		Income available to common (ttm)	\$3.01B	Daily Volume	1.86M
Annual Dividend (indicated)	\$0.60	Profitability			
Dividend Yield	1.55%	Profit Margin (ttm)	8.8%		
Last Split	none	Operating Margin (ttm)	16.7%		
		Fiscal Year			
		Fiscal Year Ends	Dec 31		
		Most recent quarter	30-Sep-2002		
<p>See Profile Help for a description of each item above; M = millions; B = billions; mrq = most-recent quarter; ttm = trailing twelve months; (as of 30-Sep-2002)</p>					

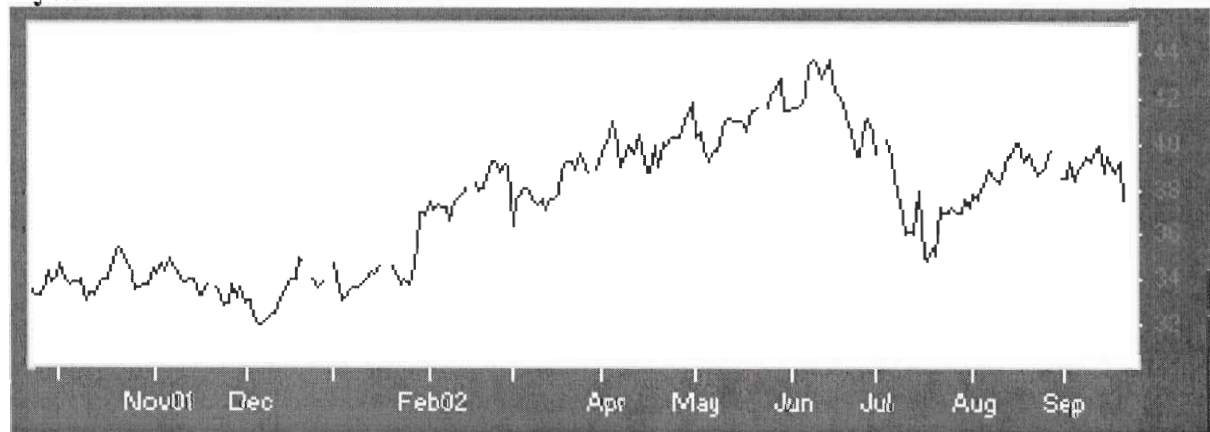
3 months



6 months



1 year



2.6 Medtronic Inc.

Business Summary

Medtronic, Inc. is a medical technology company that provides lifelong solutions for people with chronic disease. With roots in the treatment of heart disease, the Company has expanded beyond its historical core business and provides a wide range of products and therapies that help solve many challenging, life-limiting medical conditions. The Company operates in five business segments that manufacture and sell device-based medical therapies. These are: cardiac rhythm management, vascular, cardiac surgery, neurological and diabetes and spinal and ENT (ear, nose and throat). In 2001, the Company acquired MiniMed Inc., a provider of external programmable insulin pumps and continuous glucose monitoring systems, and Medical Research Group, Inc., a developer of implantable pumps and sensors for use in the treatment of diabetes. In April 2002, the Company acquired VidaMed, Inc., a designer, developer and marketer of technologically and clinically advanced systems for urological conditions.

Financial Summary

Medtronic, Inc. is a medical technology company engaged in manufacturing and selling device-based medical therapies. The Company's product lines include cardiac rhythm management, vascular, cardiac surgery, neurological and diabetes and spinal and ENT. For the three months ended 7/26/02, net sales rose 18% to \$1.71 billion. Net income rose 27% to \$383.3 million. Results reflect increased sales of defibrillation systems, higher margins and reduced special charges.

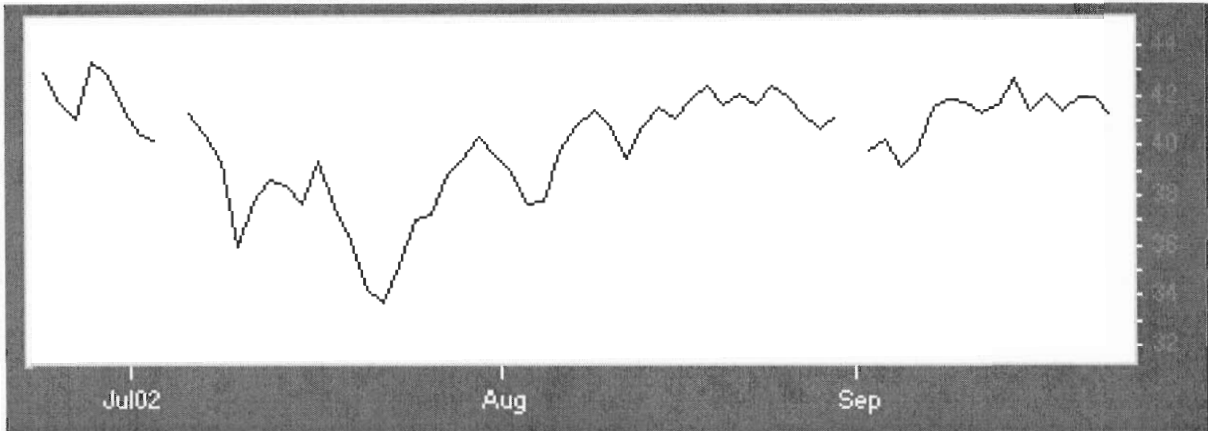
Statistics at a Glance -- NYSE:MDT

As of 6-Dec-2002

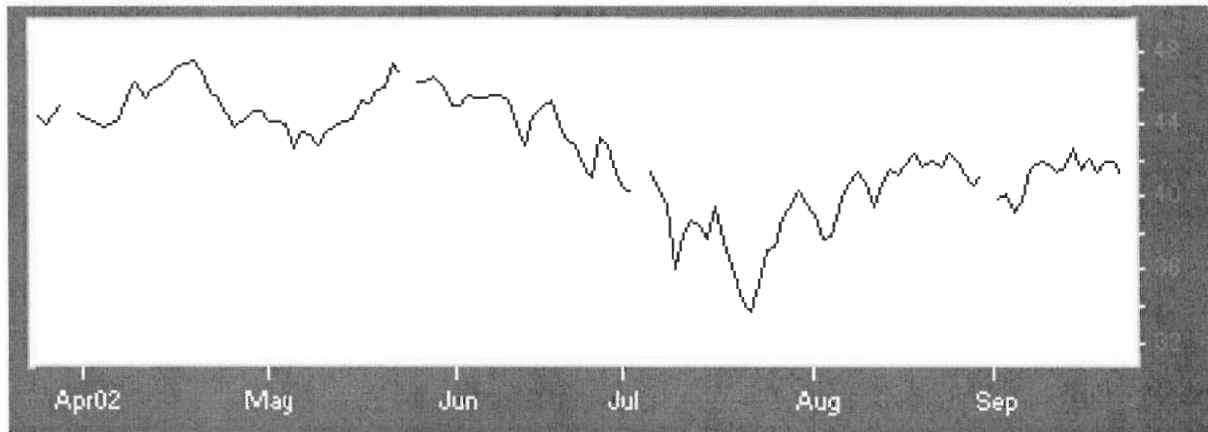
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 24-July-2002	\$32.50	Book Value (mrq*)	\$5.54	Return on Assets (ttm)	12.40%
Recent Price	\$46.18	Earnings (ttm)	\$1.06	Return on Equity (ttm)	20.68%
52-Week High on 28-Dec-2001	\$51.68	Earnings (mrq)	\$0.25		
Beta	0.62	Sales (ttm)	\$5.72	Financial Strength	
Daily Volume (3- month avg)	4.22M	Cash (mrq*)	\$0.73	Current Ratio (mrq*)	1.03
Daily Volume (10- day avg)	4.17M	Valuation Ratios		Debt/Equity (mrq*)	0.37
		Price/Book (mrq*)	8.34	Total Cash (mrq*)	\$888.7M
		Price/Earnings (ttm)	43.36		
		Price/Sales (ttm)	8.07	Short Interest As of 8-Nov-2002	
Stock Performance		Income Statements		Shares Short	18.3M
52-Week Change	-3.8%	Sales (ttm)	\$6.99B	Percent of Float	1.5%
52-Week Change relative to S&P500	+22.2%	EBITDA (ttm*)	\$2.02B	Shares Short (Prior Month)	16.8M
		Income available to common (ttm)	\$1.30B	Short Ratio	4.82
Share-Related Items		Profitability		Daily Volume	3.79M
Market Capitalization	\$56.1B	Profit Margin (ttm)	18.6%		
Shares Outstanding	1.21B	Operating Margin (ttm)	24.4%		
Float	1.21B	Fiscal Year			
		Fiscal Year Ends	Apr 26		
Dividends & Splits		Most recent quarter (fully updated)	26-July-2002		
Annual Dividend (indicated)	\$0.25	Most recent quarter (flash earnings)	31-Oct-2002		
Dividend Yield	0.54%				
Last Split: factor 2 on 27-Sep- 1999					

See Profile Help for a description of each item above; **K** = thousands; **M** = millions; **B** = billions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 31-Oct-2002, except **mrq***/**ttm*** items as of 26-July-2002)

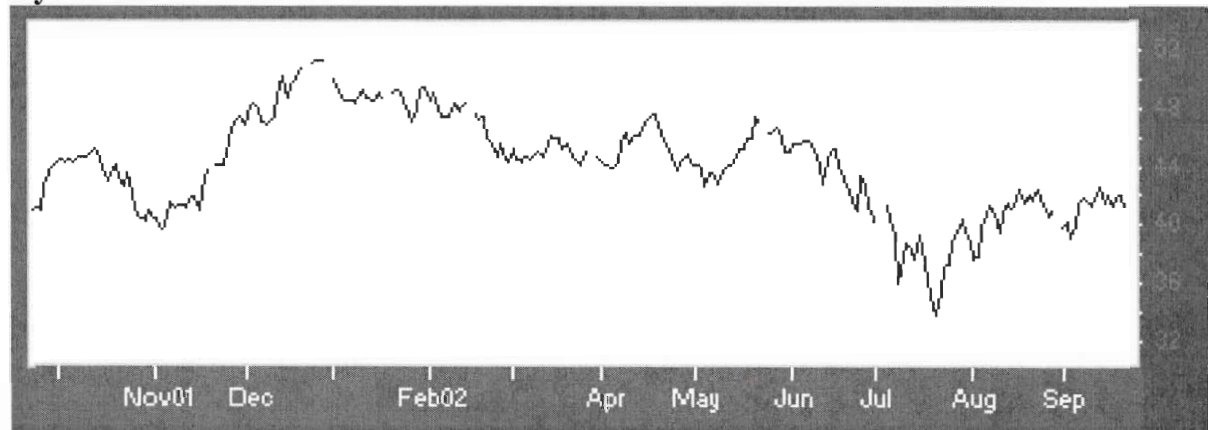
3 months



6 months



1 year



2.7 Nextel Communications Inc.

Business Summary

Nextel Communications, Inc. provides digital mobile communications throughout the United States by offering integrated wireless services under the Nextel brand name, primarily to business users. The Company's digital mobile network constitutes an integrated wireless communications system utilizing a single transmission technology, the integrated Digital Enhanced Network (iDEN) technology, which was developed by Motorola, Inc. Customers are able to access digital mobile telephone services, such as speakerphone, conference calling, voice mail, call forwarding and additional line service; Nextel Direct Connect service, which allows subscribers in the same local calling area to contact each other instantly on a private one-to-one call or on a group call; Internet services, mobile messaging services, e-mail and advanced Java-enabled business applications, marketed as Nextel Wireless Web services, and international roaming capabilities, marketed as Nextel Worldwide.

Financial Summary

NXTL provides a wide array of digital wireless communications services utilizing single transmission technology to customers throughout the U.S. For the nine months ended 9/02, revenues rose 14% to \$6.39 billion. Net income applicable to Common totaled \$197 million vs. a loss of \$1.06 billion. Revenues reflect the growth in handsets in service due to the introduction of more pricing plans. Net income reflects a decrease in the cost of handsets as a percentage of sales.

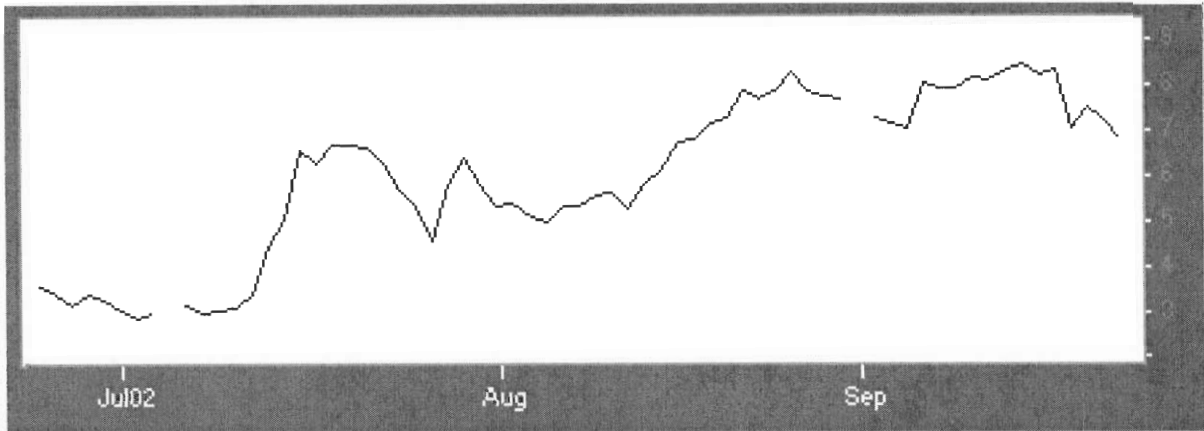
Statistics at a Glance -- NasdaqNM:NXTL

As of 6-Dec-2002

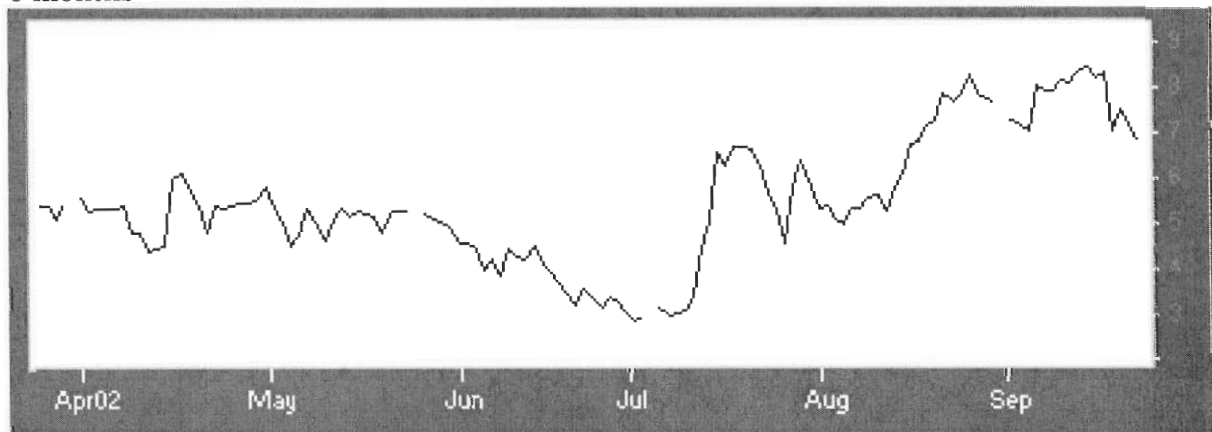
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 26-June-2002	\$2.50	Book Value (mrq)	\$0.58	Return on Assets (ttm)	-8.20%
Recent Price	\$12.90	Earnings (ttm)	-\$2.15	Return on Equity	N/A
52-Week High on 21-Nov-2002	\$14.67	Earnings (mrq)	\$0.55	Financial Strength	
Beta	2.12	Sales (ttm)	\$9.63	Current Ratio (mrq)	1.81
Daily Volume (3-month avg)	30.8M	Cash (mrq)	\$2.51	Debt/Equity (mrq)	18.02
Daily Volume (10-day avg)	19.1M	Valuation Ratios		Total Cash (mrq)	\$2.41B
Stock Performance		Price/Book (mrq)	22.12	Short Interest	
52-Week Change	+7.9%	Price/Earnings	N/A	As of 8-Oct-2002	
52-Week Change relative to S&P500	+37.0%	Price/Sales (ttm)	1.34	Shares Short	99.2M
Share-Related Items		Income Statements		Percent of Float	14.9%
Market Capitalization	\$12.4B	Sales (ttm)	\$8.46B	Shares Short (Prior Month)	111.7M
Shares Outstanding	963.1M	EBITDA (ttm)	\$1.18B	Short Ratio	3.14
Float	667.8M	Income available to common (ttm)	-\$1.60B	Daily Volume	31.6M
Dividends & Splits		Profitability			
Annual Dividend	none	Profit Margin (ttm)	-21.5%		
Last Split: factor 2 on 7-June-2000		Operating Margin (ttm)	-5.8%		
		Fiscal Year			
		Fiscal Year Ends	Dec 31		
		Most recent quarter	30-Sep-2002		

See Profile Help for a description of each item above; **K** = thousands; **M** = millions; **B** = billions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 30-Sep-2002)

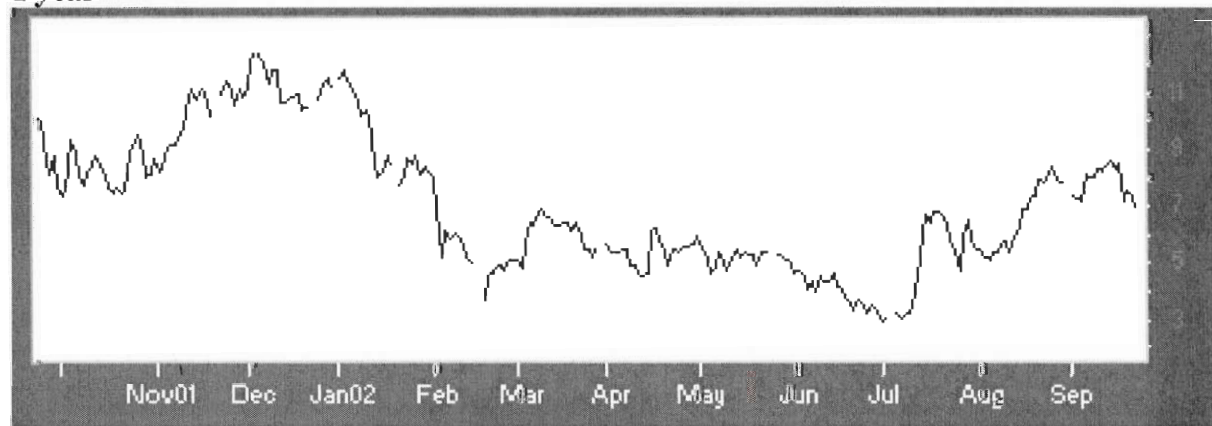
3 months



6 months



1 year



2.8 Pfizer Inc.

Business Summary

Pfizer Inc. is a research-based, global pharmaceutical company. The Company discovers, develops, manufactures and markets prescription medicines for humans and animals as well as many consumer products. The Company operates in two business segments: Pharmaceuticals and Consumer Products. The Pharmaceuticals segment includes prescription pharmaceuticals for treating cardiovascular diseases, infectious diseases, central nervous system disorders, diabetes, urogenital conditions, allergies, arthritis and other disorders; products for food animals and companion animals; and the manufacture of empty gelatin capsules. The Consumer Products segment includes self-medications, shaving and fish food and fish care products, as well as confectionery products consisting of chewing gums, breath mints and cough tablets.

Financial Summary

Pfizer Inc. is a global pharmaceutical and consumer products company, which discovers, develops, manufactures and markets innovative medicines for humans and animals. For the nine months ended 9/29/02, total revenues rose 9% to \$25.18 billion. Net income from continuing operations before acct. change rose 15% to \$6.68 billion. Results reflect increased sales of Neurontin, Zoloft, Lipitor, Viagra and Zyrtec and higher gross margins due to a favorable product mix.

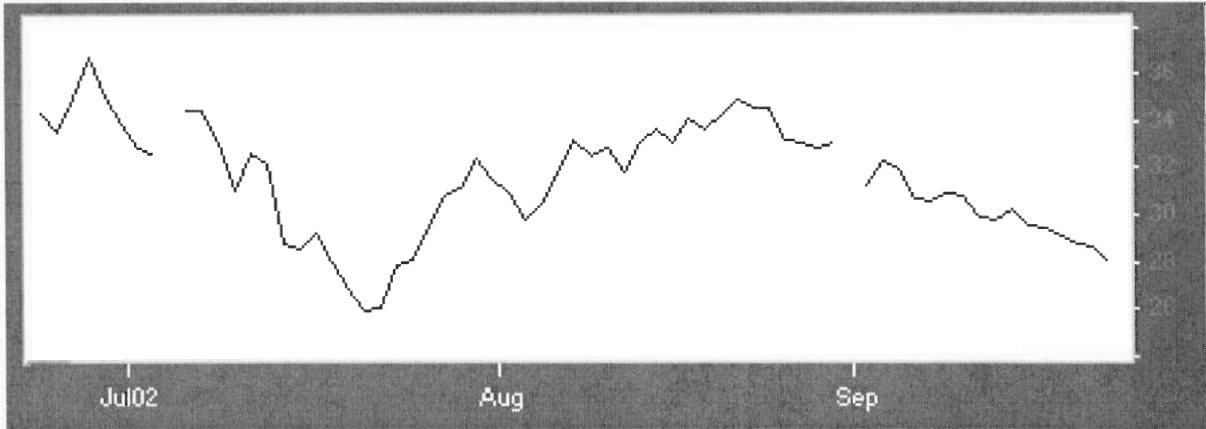
Statistics at a Glance -- NYSE:PFE

As of 6-Dec-2002

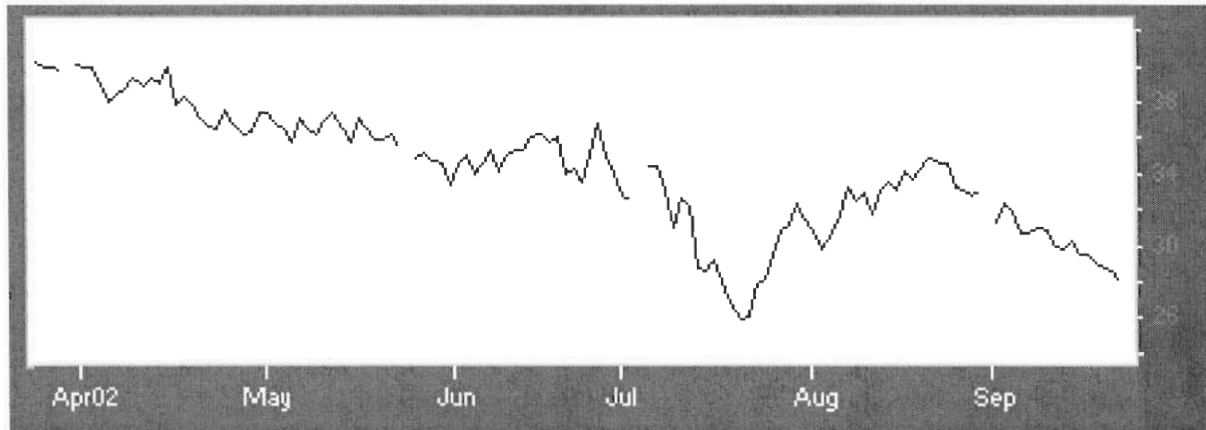
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 24-July-2002	\$25.13	Book Value (mrq*)	\$3.08	Return on Assets (ttm)	20.90%
Recent Price	\$31.00	Earnings (ttm)	\$1.37	Return on Equity (ttm)	45.63%
52-Week High on 10-Dec-2001	\$43.10	Earnings (mrq)	\$0.38	Financial Strength	
Beta	0.62	Sales (ttm)	\$5.44	Current Ratio (mrq*)	1.29
Daily Volume (3-month avg)	17.3M	Cash (mrq*)	\$2.04	Debt/Equity (mrq*)	0.73
Daily Volume (10-day avg)	17.2M	Valuation Ratios		Total Cash (mrq*)	\$12.5B
Stock Performance		Price/Book (mrq*)	10.08	Short Interest	
52-Week Change	-28.1%	Price/Earnings (ttm)	22.68	As of 8-Nov-2002	
52-Week Change relative to S&P500	-8.7%	Price/Sales (ttm)	5.70	Shares Short	111.9M
Share-Related Items		Income Statements		Percent of Float	1.8%
Market Capitalization	\$191.0B	Sales (ttm)	\$34.4B	Shares Short (Prior Month)	104.1M
Shares Outstanding	6.16B	EBITDA (ttm*)	\$12.4B	Short Ratio	6.63
Float	6.10B	Income available to common (ttm)	\$8.64B	Daily Volume	16.9M
Dividends & Splits		Profitability			
Annual Dividend (indicated)	\$0.52	Profit Margin (ttm)	25.1%		
Dividend Yield	1.68%	Operating Margin (ttm)	32.7%		
Last Split: factor 3 on 1-July-1999		Fiscal Year			
		Fiscal Year Ends	Dec 31		
		Most recent quarter (fully updated)	29-Sep-2002		
		Most recent quarter (flash earnings)	30-Sep-2002		

See Profile Help for a description of each item above; **K** = thousands; **M** = millions; **B** = billions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 30-Sep-2002, except **mrq***/**ttm*** items as of 29-Sep-2002)

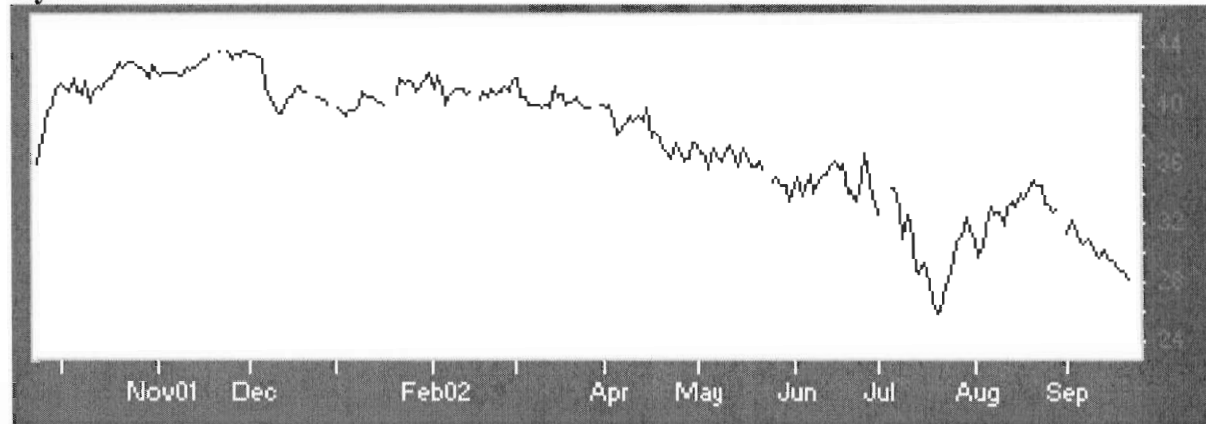
3 months



6 months



1 year



2.9 Taro Pharmaceuticals Industries Ltd.

Business Summary

Taro Pharmaceutical Industries Ltd. is a multinational, science-based pharmaceutical company dedicated to meeting the needs of its customers through the discovery, development, manufacturing and marketing of the highest quality healthcare products. The company was founded with the goal of building a pharmaceutical company in Israel that would provide high quality pharmaceutical products while investing in research to develop an international presence.

Financial Summary

TARO manufactures, markets and distributes OTC and prescription pharmaceuticals primarily in the United States, Canada and Israel, offering topical corticosteroids and antifungal cream products. For the nine months ended 9/30/02, sales rose 41% to \$149.6 million. Net income rose 96% to \$31.6 million. Revenues reflect increased sales. Net income also reflects decreased selling, general and administrative expenses as a percentage of sales and lower net financing costs.

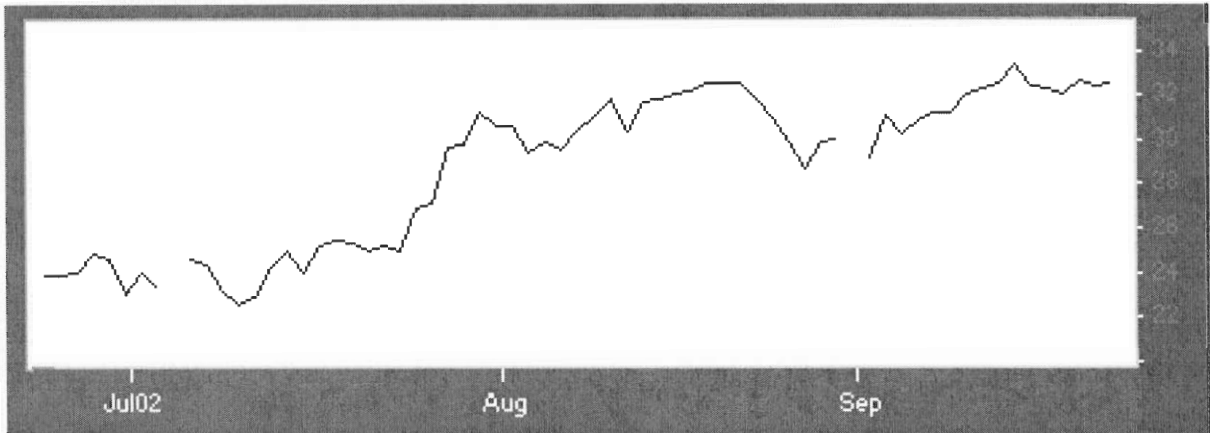
Statistics at a Glance -- NasdaqNM:TARO

As of 6-Dec-2002

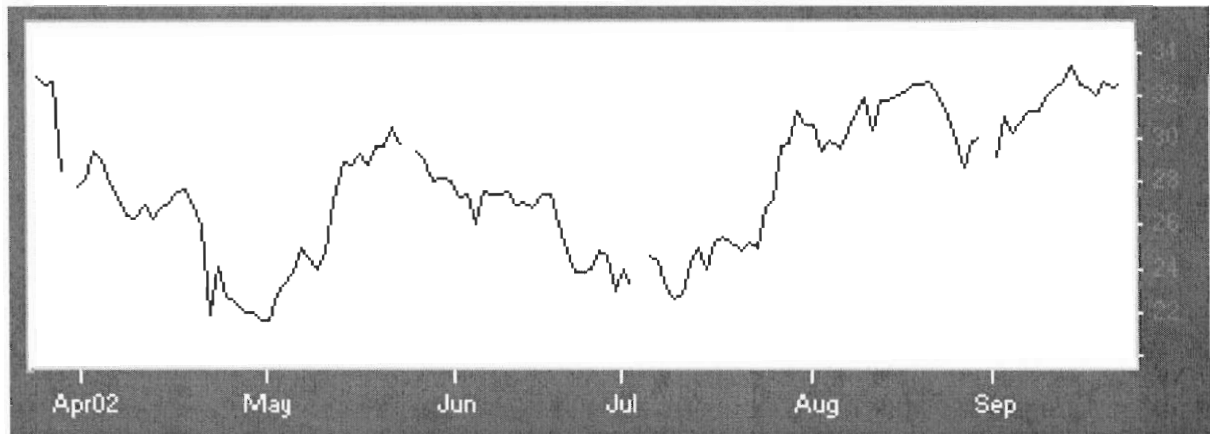
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 30-Apr-2002	\$20.82	Book Value (mrq)	\$8.72	Return on Assets (ttm)	14.24%
Recent Price	\$37.40	Earnings (ttm)	\$1.41	Return on Equity (ttm)	20.68%
52-Week High on 17-Dec-2001	\$43.55	Earnings (mrq)	\$0.39	Financial Strength	
Beta	0.63	Sales (ttm)	\$6.61	Current Ratio (mrq)	5.73
Daily Volume (3-month avg)	387.7K	Cash (mrq)	\$4.80	Debt/Equity (mrq)	0.24
Daily Volume (10-day avg)	311.0K	Valuation Ratios		Total Cash (mrq)	\$137.6M
Stock Performance		Price/Book (mrq)	4.29	Short Interest	
52-Week Change	-7.3%	Price/Earnings (ttm)	26.49	As of 8-Oct-2002	
52-Week Change relative to S&P500	+17.7%	Price/Sales (ttm)	5.66	Shares Short	2.31M
Share-Related Items		Income Statements		Percent of Float	12.1%
Market Capitalization	\$1.08B	Sales (ttm)	\$194.0M	Shares Short (Prior Month)	2.38M
Shares Outstanding	28.9M	EBITDA (ttm)	\$48.9M	Short Ratio	4.92
Float	19.1M	Income available to common (ttm)	\$41.5M	Daily Volume	469.0K
Dividends & Splits		Profitability			
Annual Dividend	none	Profit Margin (ttm)	21.4%		
Last Split: factor 2 on 27-July-2001		Operating Margin (ttm)	25.2%		
		Fiscal Year			
		Fiscal Year Ends	Dec 31		
		Most recent quarter	30-Sep-2002		

See Profile Help for a description of each item above; K = thousands; M = millions; B = billions; mrq = most-recent quarter; ttm = trailing twelve months; (as of 30-Sep-2002)

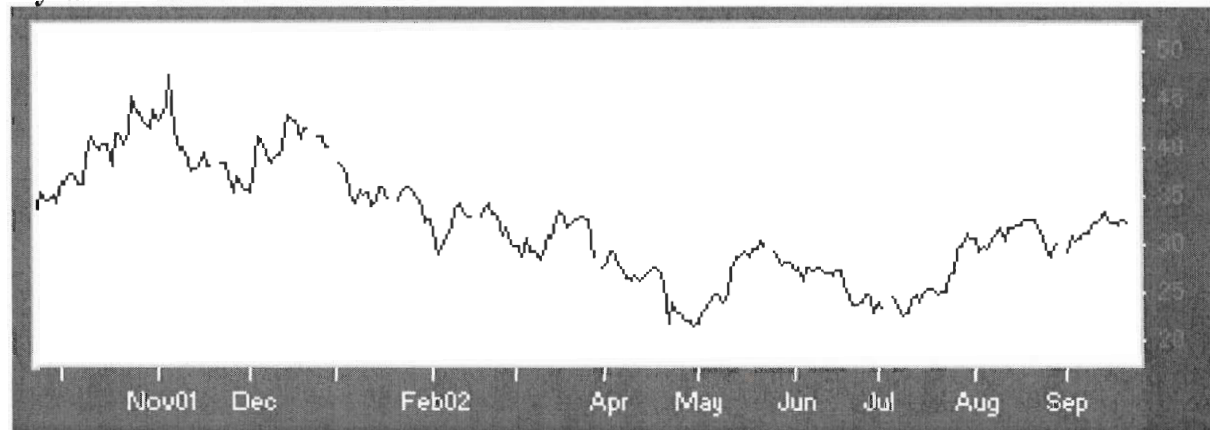
3 months



6 months



1 year



2.10 Utah Medical Products Inc.

Business Summary

Utah Medical Products, Inc. (UTMD) is in the business of producing cost-effective healthcare industry devices that are predominantly proprietary, disposable and for hospital use. UTMD's products, which include catheters, birthing cups, hand-held vacuum pumps, aspiration devices, infant oxygen hood, peritoneal dialysis set, silicone oral protection devices, lumbar puncture kits and electrosurgical systems and tools, are used primarily for obstetrics, neonatal intensive care and gynecology/urology or electro surgery. UTMD's products also are sold outside the United States.

Financial Summary

Utah Medical Products is in the business of producing cost-effective devices for the health care industry, which are predominantly proprietary, disposable and for hospital use. For the nine months ended 9/30/02, net sales rose 2% to \$20.5 million. Net income rose 22% to \$5.4 million. Revenues reflect increased sales of electro surgery and gynecology products and improved operating margins due to the elimination of goodwill amortization.

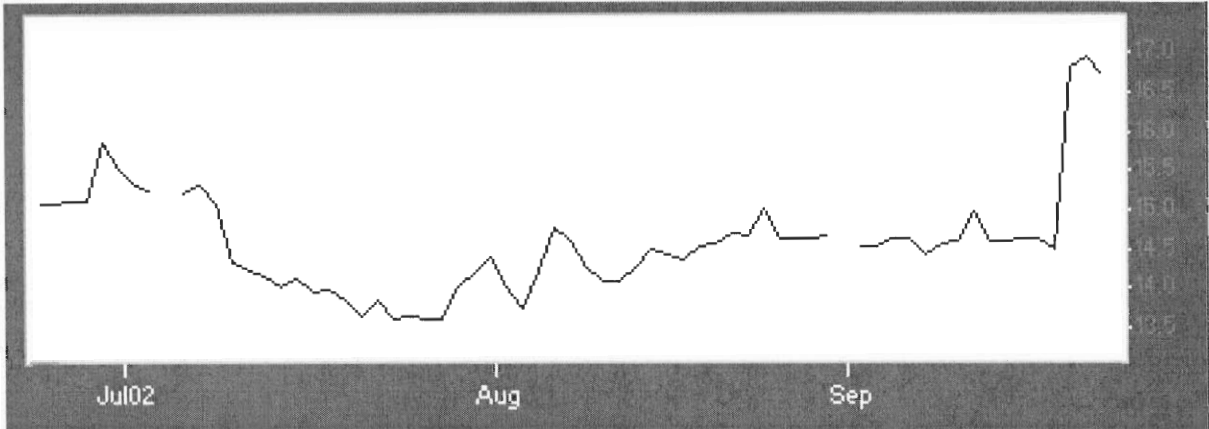
Statistics at a Glance -- NasdaqNM:UTMD

As of 6-Dec-2002

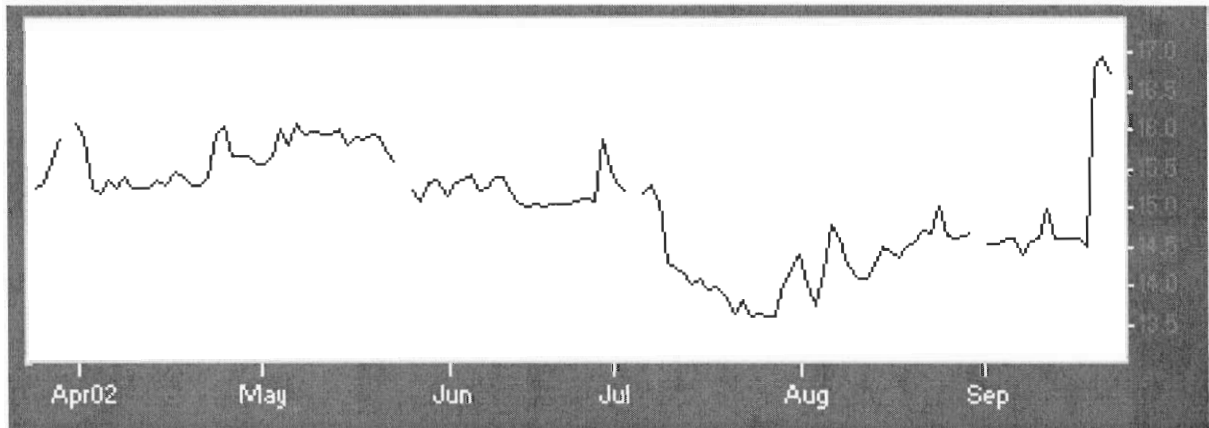
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 12-Dec-2001	\$11.40	Book Value (mrq)	\$4.51	Return on Assets (ttm)	28.83%
Recent Price	\$17.75	Earnings (ttm)	\$1.30	Return on Equity (ttm)	35.09%
52-Week High on 19-Nov-2002	\$20.07	Earnings (mrq)	\$0.36	Financial Strength	
Beta	0.70	Sales (ttm)	\$5.14	Current Ratio (mrq)	4.32
Daily Volume (3-month avg)	41.1K	Cash (mrq)	\$0.37	Debt/Equity (mrq)	0
Daily Volume (10-day avg)	11.0K	Valuation Ratios		Total Cash (mrq)	\$1.83M
Stock Performance		Price/Book (mrq)	3.94	Short Interest	
52-Week Change	+39.3%	Price/Earnings (ttm)	13.64	As of 8-Oct-2002	
52-Week Change relative to S&P500	+76.9%	Price/Sales (ttm)	3.45	Shares Short	7,000
Share-Related Items		Income Statements		Percent of Float	0.1%
Market Capitalization	\$87.4M	Sales (ttm)	\$27.3M	Shares Short (Prior Month)	5,000
Shares Outstanding	4.92M	EBITDA (ttm)	\$11.6M	Short Ratio	0.37
Float	4.80M	Income available to common (ttm)	\$6.91M	Daily Volume	19.0K
Dividends & Splits		Profitability			
Annual Dividend	none	Profit Margin (ttm)	25.3%		
Last Split: factor 1.5 on 22-Mar-1993		Operating Margin (ttm)	37.4%		
		Fiscal Year			
		Fiscal Year Ends	Dec 31		
		Most recent quarter	30-Sep-2002		

See Profile Help for a description of each item above; **K** = thousands; **M** = millions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 30-Sep-2002)

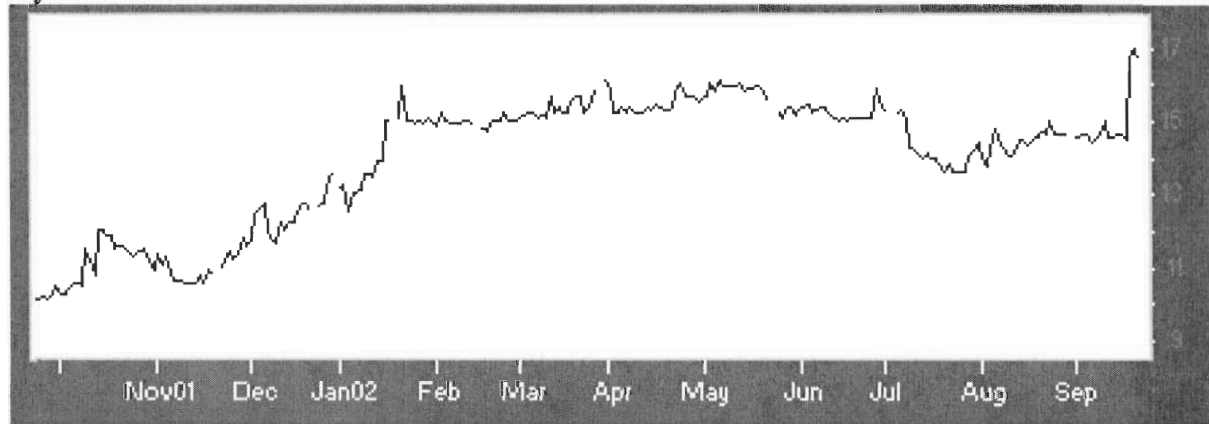
3 months



6 months



1 year



2.11 Wal-Mart Stores Inc.

Business Summary

Wal-Mart Stores, Inc. is principally engaged in the operation of mass merchandising stores. At January 31, 2002, the Company operated 1,647 discount stores, 1,066 supercenters, 500 SAM'S clubs and 31 neighborhood markets in the United States. Internationally, at January 31, 2002, the Company operated units in Argentina (11), Brazil (22), Canada (196), Germany (95), South Korea (nine) Mexico (551), Puerto Rico (17) and the United Kingdom (250), and, under joint venture agreements, in China (19). The Company operates through three segments, the Wal-Mart Stores segment, the SAM'S Club segment and the International segment.

Financial Summary

Wal-Mart Stores, Inc. operates discount department stores, warehouse membership clubs and superstores. For the nine months ended 10/31/02, revenues rose 13% to \$174.94 billion. Net income rose 23% to \$5.51 billion. Revenues reflect domestic and international expansion and an increase in same store sales. Net income also benefited from improved gross and operating margins, a decrease in interest expenses and the absence of \$113 million in goodwill amortization charges.

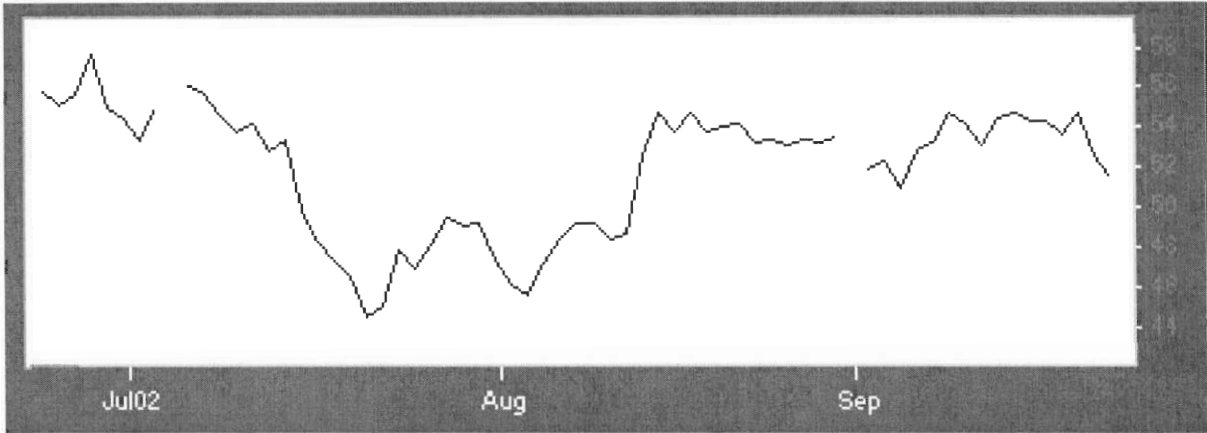
Statistics at a Glance -- NYSE:WMT

As of 6-Dec-2002

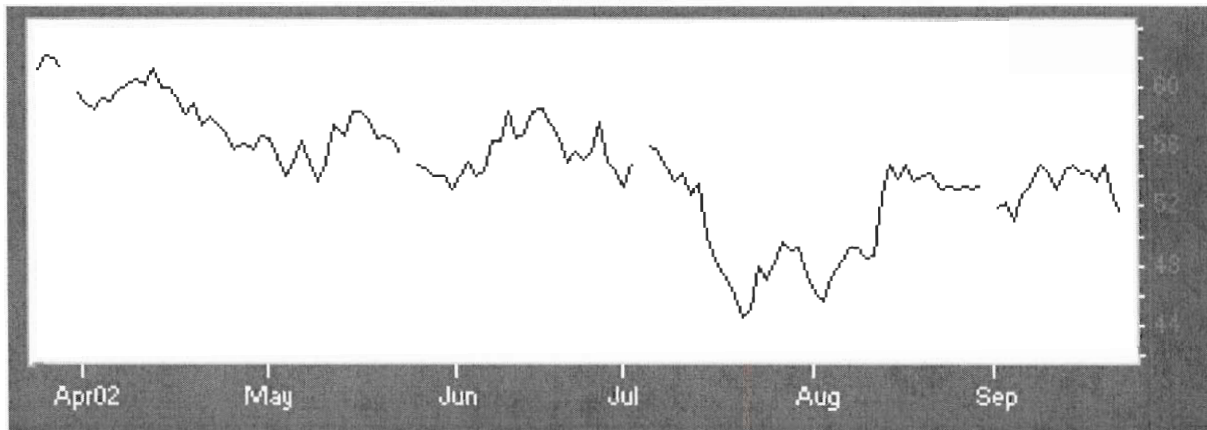
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 24-July-2002	\$43.72	Book Value (mrq)	\$8.62	Return on Assets (ttm)	8.96%
Recent Price	\$53.04	Earnings (ttm)	\$1.73	Return on Equity (ttm)	21.36%
52-Week High on 18-Mar-2002	\$63.94	Earnings (mrq)	\$0.41		
Beta	0.90	Sales (ttm)	\$53.80	Financial Strength	
Daily Volume (3-month avg)	10.0M	Cash (mrq)	\$0.47	Current Ratio (mrq)	0.94
Daily Volume (10-day avg)	8.54M	Valuation Ratios		Debt/Equity (mrq)	0.70
Stock Performance		Price/Book (mrq)	6.15	Total Cash (mrq)	\$2.10B
52-Week Change	-4.2%	Price/Earnings (ttm)	30.69	Short Interest As of 8-Nov-2002	
52-Week Change relative to S&P500	+21.7%	Price/Sales (ttm)	0.99	Shares Short	42.5M
Share-Related Items		Income Statements		Percent of Float	1.6%
Market Capitalization	\$234.1B	Sales (ttm)	\$239.8B	Shares Short (Prior Month)	45.9M
Shares Outstanding	4.41B	EBITDA (ttm)	\$16.9B	Short Ratio	4.08
Float	2.65B	Income available to common (ttm)	\$7.70B	Daily Volume	10.4M
Dividends & Splits		Profitability			
Annual Dividend (indicated)	\$0.30	Profit Margin (ttm)	3.3%		
Dividend Yield	0.57%	Operating Margin (ttm)	5.1%		
Last Split: factor 2 on 20-Apr-1999		Fiscal Year			
		Fiscal Year Ends	Jan 31		
		Most recent quarter	31-Oct-2002		

See Profile Help for a description of each item above; **K** = thousands; **M** = millions; **B** = billions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 31-Oct-2002)

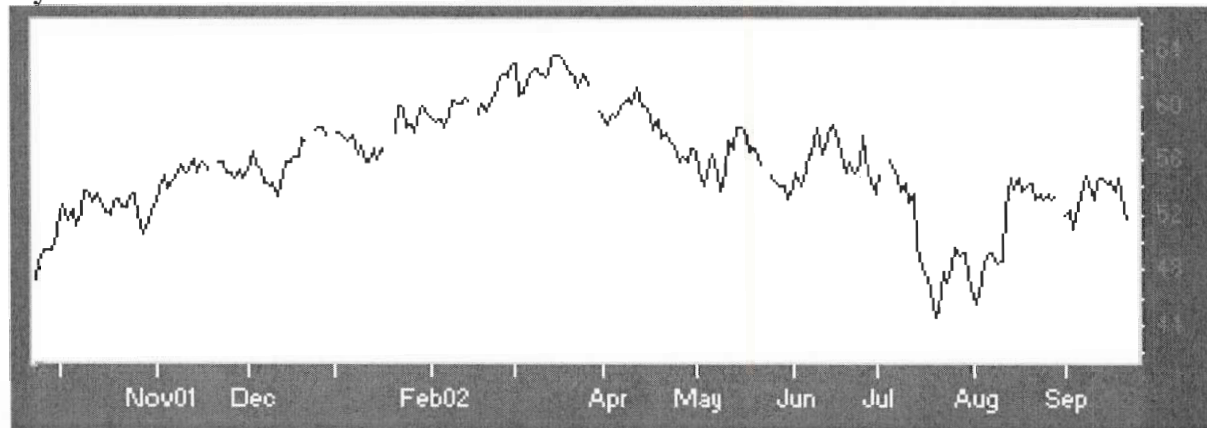
3 months



6 months



1 year



2.12 Watson Pharmaceuticals Inc.

Business Summary

Watson Pharmaceuticals, Inc. is primarily engaged in the development, manufacture, marketing and distribution of branded and off-patent (generic) pharmaceutical products. Through internal product development and synergistic acquisitions of products and businesses, the Company has grown into a diversified specialty pharmaceutical company. As of December 31, 2001, Watson marketed more than 30 branded pharmaceutical product lines and approximately 140 off-patent pharmaceutical products. The Company also develops advanced drug delivery systems designed to enhance the therapeutic benefits of existing drug forms.

Financial Summary

Watson Pharmaceuticals is engaged in the development, production, marketing and distribution of both branded and off-patent pharmaceutical products. For the nine months ended 9/30/02, revenues rose 3% to \$893.6 million. Net income rose 89% to \$132.7 million. Revenues reflect growth within Women's Health and General products divisions. Earnings also reflect the absence of \$147.6 million in assets impairment charges and lower loss on the disposal of assets.

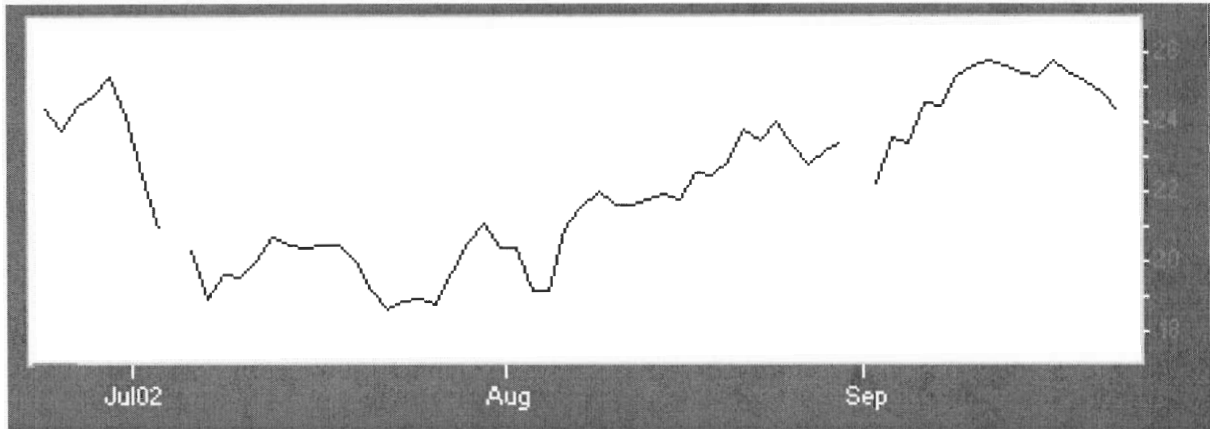
Statistics at a Glance -- NYSE:WPI

As of 6-Dec-2002

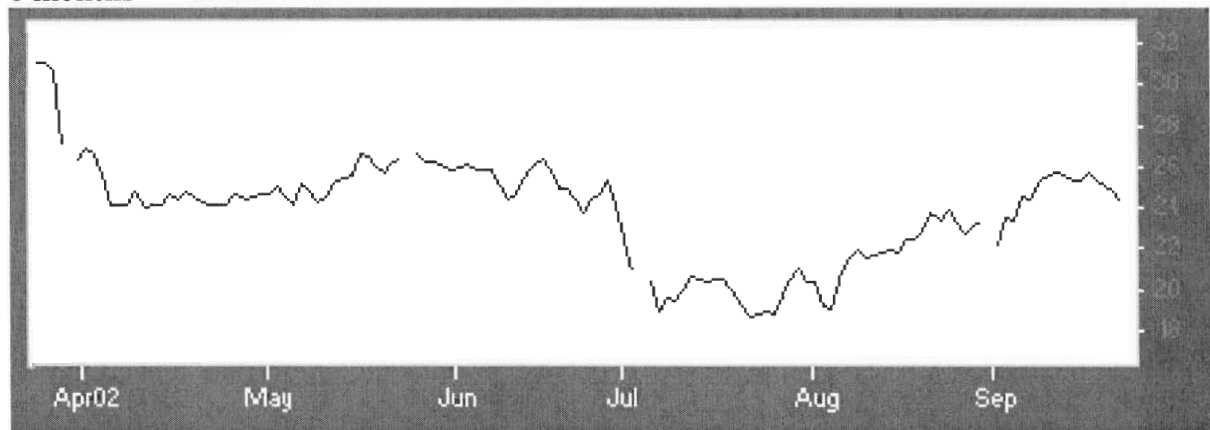
Price and Volume		Per-Share Data		Management Effectiveness	
52-Week Low on 24-July-2002	\$17.95	Book Value (mrq)	\$16.47	Return on Assets (ttm)	7.00%
Recent Price	\$29.68	Earnings (ttm)	\$1.67	Return on Equity (ttm)	10.58%
52-Week High on 14-Mar-2002	\$33.25	Earnings (mrq)	\$0.38	Financial Strength	
Beta	0.28	Sales (ttm)	\$11.05	Current Ratio (mrq)	2.48
Daily Volume (3-month avg)	713.1K	Cash (mrq)	\$2.88	Debt/Equity (mrq)	0.25
Daily Volume (10-day avg)	734.0K	Valuation Ratios		Total Cash (mrq)	\$307.3M
Stock Performance		Price/Book (mrq)	1.80	Short Interest	
52-Week Change	-7.6%	Price/Earnings (ttm)	17.83	As of 8-Nov-2002	
52-Week Change relative to S&P500	+17.3%	Price/Sales (ttm)	2.69	Shares Short	2.35M
Share-Related Items		Income Statements		Percent of Float	2.5%
Market Capitalization	\$3.17B	Sales (ttm)	\$1.19B	Shares Short (Prior Month)	1.77M
Shares Outstanding	106.9M	EBITDA (ttm)	\$324.9M	Short Ratio	3.27
Float	95.7M	Income available to common (ttm)	\$179.0M	Daily Volume	717.0K
Dividends & Splits		Profitability			
Annual Dividend	none	Profit Margin (ttm)	15.1%		
Last Split: factor 2 on 30-Oct-1997		Operating Margin (ttm)	22.1%		
		Fiscal Year			
		Fiscal Year Ends	Dec 31		
		Most recent quarter	30-Sep-2002		

See Profile Help for a description of each item above; **K** = thousands; **M** = millions; **B** = billions; **mrq** = most-recent quarter; **ttm** = trailing twelve months; (as of 30-Sep-2002)

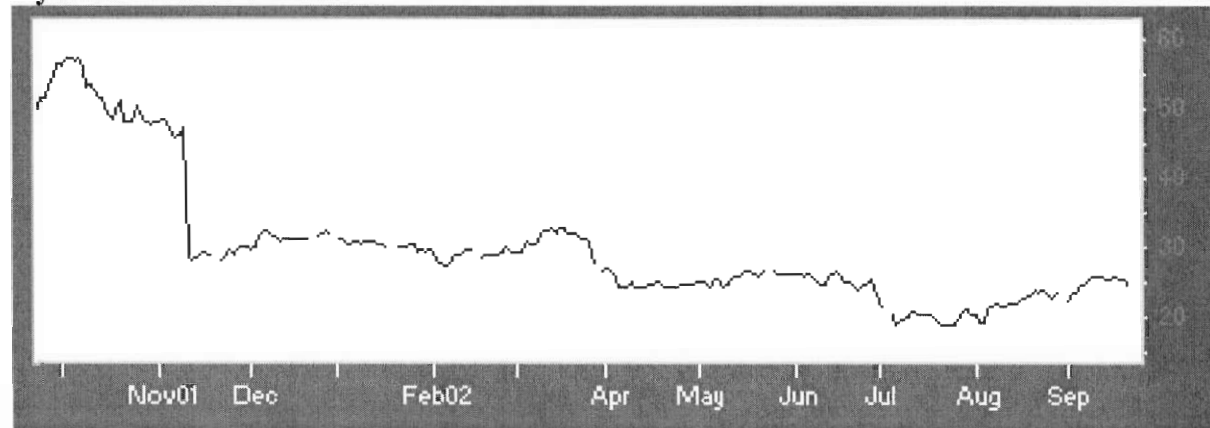
3 months



6 months



1 year



Chapter 3

Day Trading

In this chapter we are going to talk about a specific method of investing referred to as Day Trading. We are going to give you a brief introduction as to what exactly Day Trading is, the abilities a person must have to Day Trade, provide some visual data of our Day Trading experience, draw some conclusions from this data, and then briefly give our opinion of this method of investing.

3.1 What is Day Trading?

The main question here is: *What is Day Trading?* Simply put Day Trading is just a method of investing, but one might ask the question: *What is the difference between Day trading and other methods of investing?* This is a fairly easy question to answer because the only difference is the amount of time one spends investing. For example, when someone is first hired by an employer they have some options, but the two that we are most concerned with are: 1.) Their stock options, and 2.) Their 401k Plan.

These are two examples of methods right here. The first can be considered a method of Day Trading depending on how much time you spend investing during the day, and the second is a method referred to as Long Term Investing, which we will discuss later on in Chapter 5.

The difference between these two methods is that the first is bought/sold daily depending on how well/bad your company's stock is doing. The second is more concerned with investing a certain amount of money, which is taken from your check each week, and not touching it until the end (meaning your retirement). This money that

is taken from your check is usually some fixed amount of money (by you), and invested in some amount of stocks (specified by the company), and upon retirement you have the sole rights to the money that you have gained over the years.

When Day Trading one could buy a stock at, say \$11.50, the stock goes up to \$13.50, and then that person would sell the stock with \$2.00 profit per share that he/she has invested. For example, say that we buy 100,000 shares of Nextel Communications at \$7.07, which would cost us \$707,000. Then during the day we see that Nextel has gone up to \$10.07, and we decided to sell which would make us \$3.00 per share or \$300,000. This is the distinction between Long Term Investing and Day Trading. People that Day Trade buy/sell throughout the day whereas people who invest in 401k (or some mutual fund) invest a certain amount of money in a certain amount of stocks, and just let those stocks ride (so to speak).

In this project we had briefly simulated the investment method of Day Trading for approximately two weeks via the Finance section of the website www.yahoo.com. What our group did to get the full affect of Day Trading was setup a timetable (Figure 3.1.1 and Figure 3.1.2) for the days where one of us would be online buying/selling stocks throughout the time interval that we were available. After our time interval was over we would stop trading, and the next person scheduled to trade would sign on and pick up where the last trader (person) had left off. This was thought to be the most effective way to simulate the “Day Trading” effect due to the busy schedules that we, the group, had during this academic term.

Person	Monday	Tuesday	Wednesday	Thursday	Friday
Brandon	11:00-2:00	11:00-2:00	11:00-2:00	11:00-2:00	11:00-2:00
Dennis	9:00-11:00	9:00-11:00	9:00-11:00	9:00-11:00	9:00-11:00
Jared	2:00-5:00	2:00-5:00	2:00-5:00	2:00-5:00	2:00-5:00

Figure 3.1.1: Week 1

Person	Monday	Tuesday	Wednesday	Thursday	Friday
Brandon	9:00-11:00	9:00-11:00	9:00-11:00	9:00-11:00	9:00-11:00
Dennis	11:00-1:00	11:00-1:00	11:00-1:00	11:00-1:00	11:00-1:00
Jared	1:00-5:00	1:00-5:00	1:00-5:00	1:00-5:00	1:00-5:00

Figure 3.1.2: Week 2

3.2 What Winning Traders Do

In our experience, Day Trading is the most difficult method of investing due to the amount of time that one has to spend watching the market. When one is trading Short-Term or Long-Term Investing they are not plagued with the headaches and anxieties of a Day Trader. When simulating this method of investing we found it hard because one person has to know every minute detail about the market and the stocks they are trading.

When buying/selling stocks the old statement “Buy low, Sell high” holds true, but there are many other things that one has to take into account as well, such as:

- 1.) The current state of the market.
- 2.) The current state of the sector the stock is in.
- 3.) The history of the stock’s performance
- 4.) The current state of the stock.
- 5.) Updates and Releases about the company who owns the stock

These are just a few of the many important things one must take into account when Day Trading.

A Day Trader in some aspects is like a student meaning that he/she does his/her main work in the classroom (in our case while trading), and does homework after the day is done (in our case reading the Wall Street Journal and watching shows like CNBC). This is because a Day Trader's outcome is not determined while trading, but rather what he does (i.e. learns) outside of the "classroom". The things that affect stocks and the stock market the most are the things that we hear before, during, and after trading.

It takes a certain type of person to be a Day Trader. What we mean by this is that a person who Day Trades has to have a mentality, that:

- 1.) He has the ability to trade.
- 2.) He can trade effectively and automatically (without thought).
- 3.) He can trade without fear of losing money.
- 4.) Knowing that he lost money he still has the ability to trade again.
- 5.) To have the ability not to let one day's performance affect the next days.
- 6.) Being able to know that one bad trade is just that. That this is not going to be the overall outcome of his/her day.
- 7.) Being able to make 9 bad trades out of 10, and have the ability to say "I can make it all back with this 10th trade"

Basically being a Day Trader requires a person to have the following characteristics:

- 1.) Persistence
- 2.) Patience
- 3.) Confidence
- 4.) Competence
- 5.) The willingness to pay the price to achieve your desired result.

After all is said and done he/she still has the ability to go back and face everything again the next day like the previous day did not exist.

To end this section we have chosen a quote from Robert Koppel to more accurately portray to you, the reader, the kind of person it takes to be a Day Trader.

"The trader is like a Masai warrior who each day must 'face the knife' and hunt the lion with only a spear and bare hands. His success will come from relying on his own wits and instincts at the moment of truth, embracing risk as his ally to achieve the desired outcome."

—Robert Koppel, *The Tao of Trading*

Through this quote and the above readings we think that this is pretty evident of the kind of person one must be.

3.3 Analysis and Reasoning of Selected Portfolios

There was no real reasoning for selecting the stocks that we did for the portfolios. Initially, all we had done was utilize the same stock portfolio we did for our short-term investing(Chapter 4) as a stepping stone, and from there we watched the market and other resources to determine the best stocks (and sectors) to invest in, such as:

- 1.) Wall Street Journal
- 2.) CNBC

3.) Websites (i.e. yahoo and msn)

3.4 Results of Day Trading and Summary of Transactions

In two months we made over \$14 million in profits. Of that we made close to \$2 million in two weeks. To make this \$2 million we were watching the market constantly for the two weeks. As seen in the figures in section 3.1, we divided the day up so that we would have someone watching the market at all times, or close to it. When we first started it was kind of hard to follow the stocks since they were always moving. We didn't know when was a good time to buy in or to sell, so we started kind of slow. In most cases we only made a few thousand when millions of dollars worth of shares were involved, but by watching trends and trading frequently, we were able to amass a nice amount in the very short time we allotted for this strategy.

Most of the trades that we made focused on tech and pharmaceutical stocks, as was the case for most of our investments during this simulation. But even though we favored these stocks more, we still looked at everything when making our trades, as was the case with a couple of our biggest profit trades, which happened with Best Buy stock.

Date	Type	Symbol	Shares	Price	Comm	Amount	Gain
8-Nov-02	Buy	<u>JNJ</u>	150,000	\$60.68	\$20.00	\$9,102,020.00	\$0.00
8-Nov-02	Sell	<u>JNJ</u>	150,000	\$60.90	\$20.00	\$9,134,980.00	\$32,960.00
12-Nov-02	Buy	<u>BBY</u>	100,000	\$18.37	\$20.00	\$1,837,020.00	\$0.00
13-Nov-02	Buy	<u>CREE</u>	100,000	\$19.00	\$20.00	\$1,900,020.00	\$0.00
14-Nov-02	Buy	<u>AMAT</u>	100,000	\$14.98	\$20.00	\$1,498,020.00	\$0.00
14-Nov-02	Buy	<u>BGEN</u>	100,000	\$38.70	\$20.00	\$3,870,020.00	\$0.00
14-Nov-02	Sell	<u>BGEN</u>	100,000	\$39.16	\$20.00	\$3,915,980.00	\$45,960.00
14-Nov-02	Buy	<u>BGEN</u>	100,000	\$38.69	\$20.00	\$3,869,020.00	\$0.00
14-Nov-02	Sell	<u>AMAT</u>	100,000	\$15.16	\$20.00	\$1,515,980.00	\$17,960.00
14-Nov-02	Buy	<u>AMZN</u>	50,000	\$21.22	\$20.00	\$1,061,020.00	\$0.00
14-Nov-02	Sell	<u>BGEN</u>	100,000	\$38.70	\$20.00	\$3,869,980.00	\$960.00

Date	Type	Symbol	Shares	Price	Comm	Amount	Gain
14-Nov-02	Sell	<u>AMZN</u>	50,000	\$21.35	\$20.00	\$1,067,480.00	\$6,460.00
14-Nov-02	Buy	<u>SUNW</u>	100,000	\$3.53	\$20.00	\$353,020.00	\$0.00
14-Nov-02	Sell	<u>SUNW</u>	100,000	\$3.56	\$20.00	\$355,980.00	\$2,960.00
14-Nov-02	Buy	<u>YHOO</u>	100,000	\$16.21	\$20.00	\$1,621,020.00	\$0.00
14-Nov-02	Buy	<u>JNJ</u>	200,000	\$60.50	\$20.00	\$12,100,020.00	\$0.00
14-Nov-02	Sell	<u>BBY</u>	100,000	\$20.40	\$20.00	\$2,039,980.00	\$202,960.00
14-Nov-02	Sell	<u>CREE</u>	100,000	\$19.76	\$20.00	\$1,975,980.00	\$75,960.00
14-Nov-02	Sell	<u>YHOO</u>	100,000	\$16.30	\$20.00	\$1,629,980.00	\$8,960.00
14-Nov-02	Sell	<u>JNJ</u>	200,000	\$60.40	\$20.00	\$12,079,980.00	-\$20,040.00
14-Nov-02	Buy	<u>WPI</u>	50,000	\$29.99	\$20.00	\$1,499,520.00	\$0.00
14-Nov-02	Buy	<u>AMD</u>	100,000	\$6.51	\$20.00	\$651,020.00	\$0.00
14-Nov-02	Sell	<u>WPI</u>	50,000	\$30.02	\$20.00	\$1,500,980.00	\$1,460.00
14-Nov-02	Buy	<u>TGT</u>	75,000	\$33.40	\$20.00	\$2,505,020.00	\$0.00
14-Nov-02	Sell	<u>AMD</u>	100,000	\$6.60	\$20.00	\$659,980.00	\$8,960.00
15-Nov-02	Sell	<u>TGT</u>	75,000	\$33.42	\$20.00	\$2,506,480.00	\$1,460.00
15-Nov-02	Sell Short Buy To	<u>IMCL</u>	50,000	\$11.77	\$20.00	\$588,480.00	\$0.00
15-Nov-02	Cover	<u>IMCL</u>	50,000	\$11.61	\$20.00	\$580,520.00	\$7,960.00
15-Nov-02	Buy	<u>TARO</u>	50,000	\$36.92	\$20.00	\$1,846,020.00	\$0.00
15-Nov-02	Sell	<u>TARO</u>	50,000	\$37.00	\$20.00	\$1,849,980.00	\$3,960.00
19-Nov-02	Sell Short Buy To	<u>ESRX</u>	200,000	\$53.24	\$20.00	\$10,647,980.00	\$0.00
19-Nov-02	Cover	<u>ESRX</u>	200,000	\$52.35	\$20.00	\$10,470,020.00	\$177,960.00
19-Nov-02	Sell Short Buy To	<u>ESRX</u>	200,000	\$52.61	\$20.00	\$10,521,980.00	\$0.00
19-Nov-02	Cover	<u>ESRX</u>	200,000	\$51.81	\$20.00	\$10,362,020.00	\$159,960.00
20-Nov-02	Sell Short	<u>PFE</u>	200,000	\$33.00	\$20.00	\$6,599,980.00	\$0.00
20-Nov-02	Buy	<u>ESRX</u>	200,000	\$51.10	\$20.00	\$10,220,020.00	\$0.00
20-Nov-02	Sell Buy To	<u>ESRX</u>	200,000	\$51.78	\$20.00	\$10,355,980.00	\$135,960.00
20-Nov-02	Cover	<u>PFE</u>	200,000	\$32.32	\$20.00	\$6,464,020.00	\$135,960.00
20-Nov-02	Buy	<u>ESRX</u>	200,000	\$51.45	\$20.00	\$10,290,020.00	\$0.00
20-Nov-02	Sell	<u>ESRX</u>	200,000	\$51.83	\$20.00	\$10,365,980.00	\$75,960.00
20-Nov-02	Buy	<u>BBY</u>	200,000	\$24.30	\$20.00	\$4,860,020.00	\$0.00
20-Nov-02	Buy	<u>JNJ</u>	100,000	\$59.56	\$20.00	\$5,956,020.00	\$0.00
21-Nov-02	Sell Short Buy To	<u>ESRX</u>	200,000	\$52.82	\$20.00	\$10,563,980.00	\$0.00
21-Nov-02	Cover	<u>ESRX</u>	200,000	\$51.89	\$20.00	\$10,378,020.00	\$185,960.00
21-Nov-02	Sell	<u>JNJ</u>	100,000	\$60.20	\$20.00	\$6,019,980.00	\$63,960.00
21-Nov-02	Buy	<u>GE</u>	200,000	\$26.00	\$20.00	\$5,200,020.00	\$0.00
21-Nov-02	Sell	<u>GE</u>	200,000	\$26.15	\$20.00	\$5,229,980.00	\$29,960.00

Date	Type	Symbol	Shares	Price	Comm	Amount	Gain
22-Nov-02	Buy	<u>BBY</u>	200,000	\$25.70	\$20.00	\$5,140,020.00	\$0.00
22-Nov-02	Sell	<u>BBY</u>	200,000	\$26.35	\$20.00	\$5,269,980.00	\$129,960.00
22-Nov-02	Sell	<u>BBY</u>	200,000	\$26.61	\$20.00	\$5,321,980.00	\$461,960.00
22-Nov-02	Buy	<u>BBY</u>	100,000	\$26.10	\$20.00	\$2,610,020.00	\$0.00
22-Nov-02	Sell	<u>BBY</u>	100,000	\$26.50	\$20.00	\$2,649,980.00	\$39,960.00

Figure 3.4.1: List of Day Trading transactions

Chapter 4

Short-Term Investing

The short-term investing part of this project took place over the whole time period in which we traded. Of the trading we did during this stock market simulation, 90% of the transactions were made using this approach. As is the case with our project, in real life, a great deal of the investing that takes place is short-term trading. The time periods may be different, we only had a couple of months as opposed to many months or years, but the concept is still the same. These stocks were bought and sold under the pretense that we would make the transactions with trends that we saw and not hold them for a long time as you might do in a long term investment, such as we did in our third approach covered in the next chapter.

4.1 What is Short-Term Investing? What is our Approach?

What we considered “short-term investing” is the everyday investing that goes on in the market outside of the day trading and those investing in mutual funds and stocks with the intent on holding them for an extended period of time for retirement, children’s college funds, etc. For the most part, people trade with the intent on holding onto stocks for a short period of time and then selling them to make a profit. These people look for trends in the market and in the stocks they pick and buy and sell with those trends.

There is no set time that a person holds onto things before it is considered long term investing or short-term trading, but it is more about what they are planning to do for investments. It is not as fast paced as day trading is, there may be only a few transactions a week, or a month, instead of a few an hour as might be the case with day trading. This

style of investment is more concerned how a stock does overall from day to day and week to week as opposed to highs and lows of the day. It is less time consuming than day trading, you don't need to keep your eyes on the market every second as you might day trading. Instead you might watch a stock a few times a week to see how it is performing and sell accordingly.

Our approach to this was similar, but we did not have the luxury of time. Since we were confined to a span of a couple of months, we were a bit more active than some might be if they were investing in a short-term sense, but our intentions were true to the style. In our simulation, we watched stocks within our portfolio, and a few outside of it, for trends that seemed to be taking place, and we bought and sold accordingly. For this approach we watched how the stocks we had were performing day to day, but we weren't concentrating on their daily fluctuations. For this style we held on to stocks for a few days, not caring if it might be losing a couple of days or so. We would follow it and wait for it to rise again and then sell when it was finally making a profit, sometime the next day and sometimes holding on to it for a week or so.

4.2 Analysis of the Portfolios we used

The portfolio we used for this part of our project is the one presented in chapter 1. Although we had a planned portfolio, we did not stick to just those stocks. As we mentioned before, this portfolio was just a base point for our project. In addition to the stocks listed in it, we also traded a few others that were brought to our attention during the course of our trading. Even some of the stocks in our portfolio were left out since they were not performing as well during the period we were working with.

For the most part, we stuck to technology and pharmaceuticals stocks. These were some of the big movers during the 2 months that we were able to trade. During that time period Nextel was one of our biggest movers. It managed to gain just shy of 100% at the end of our project. Also during that time we saw big moves from Amazon. There were moderate moves on the part of Watson Pharmaceuticals, Dell, Coca-Cola, Utah Medical Products and TARO Pharmaceuticals as well.

4.3 Results of Investments

In two months, we made just over a 70% profit on our initial investment of \$20 million. Of that \$14 million, about \$12.6 million of that came from our short-term investment strategies. We would watch the market and when we thought stocks were low we would buy into them and hold them. Sometimes we only held them for the day, but more than likely we were holding them for a few or it could be as much as a couple of weeks. Considerable gains came from investments in Nextel, Pfizer, Amazon, and a few others.

During our project we were able to see some trends in certain stocks we picked. Such was the case with Express Scripts. Every couple of days this stock would drop a \$2 or \$3 a share and then make that over the next two or three days. So we started watching for when it went low and bought into it and then would sell it after a couple when it hit towards its high. This was nice for us in our short-term investment strategy but did not work well in the long term investments due to the fact that the stock never gained much overall. It kind of just kept dropping and then gaining back what it lost without ever rising beyond its weekly high.

This was also seen in stocks on a smaller daily scale. Throughout the day, stocks we watched would have similar trends. They would tend to be somewhat volatile in the morning, which was good for day trading purposes. They would then tend to settle during early afternoon and then pick up. So by watching this, we could better choose when to place our trades for our short-term investing. We would buy or sell in the morning when it was volatile and we could get good prices for the stocks and when we chose to get rid of the stocks we would normally do it in mid afternoon when highs were pretty much set for the day.

4.4 Summary of Transactions

When we first started trading, we were a little hesitant. Even though the money was all just on paper, it still felt real, and we didn't want to do poorly for our project. Transactions were small, only 50,000 shares or so. Seeing as we had given ourselves \$20 million to work with, these transactions didn't amount to much. As time went on, and we got more comfortable with trading, we started to increase the volume of shares we bought. We started trading in 100,000 share blocks or greater and sometimes more than a million per transaction depending on the stock. Since we were not able to see how our transactions affected the market, and they would, we tried to keep the volume of stocks at which we traded close to the number of shares being traded on the market usually. If a stock only traded a couple of hundred thousand shares a day, we wouldn't buy a million of them since it wouldn't be as accurate.

For this investment strategy, we traded a great deal in stocks in our portfolio. Quite a bit of the profits we made were from Nextel and Pfizer. We also made a bit from

Dell and Cisco. However some big gains were made from investments in companies such as IBM, 3M, Yahoo, Phillip Morris, Xilinx, and others that were not in the portfolio.

By the end of our trading period, we had bought and sold over 24 million shares in various stocks in both short-term trading and day trading investment. This gave us a gain of over 70% on our starting capital and about 87% of that was done with the short-term trading strategy. During this time the DOW industrial average only did 10% and the Nasdaq a bit better with 20%.

Chapter 5

LONG TERM INVESTING

The third type of investing that we tried for our IQP was long-term investing. This portion required less work on a daily basis, and was mostly used as a benchmark by which we could judge how well our other trading methods were doing.

5.1 What Long Term Investing is and our approach

One approach many stock market investors recommend is long-term investing. What this involves is buying stocks, then not trading them as the market goes up and down, but rather simply holding on to them with the faith that, in the long run, the market will rise, the stocks will go up in price. Long is a relative word, though. Usually stocks that investors have invested in long-term are held onto for several years, at least, to account for the annual cycles of the market. In our situation, though, we did not have such a luxury. We bought the stocks at the beginning of our investing term, and we sold them 3 months later, when we were finished with our other investing.

5.2 Advantages/Disadvantages of Long Term Investing

In our situation, we ended up making a larger profit margin on our day-trading and short-term trading investments. We did end up with a profit, though, as the market happened to be on the rise during the period during which we had decided to trade. That's a disadvantage of long term investing: that your stocks are at the whim of the market. With short-term trading, you tend to get out of a stock when it's going down,

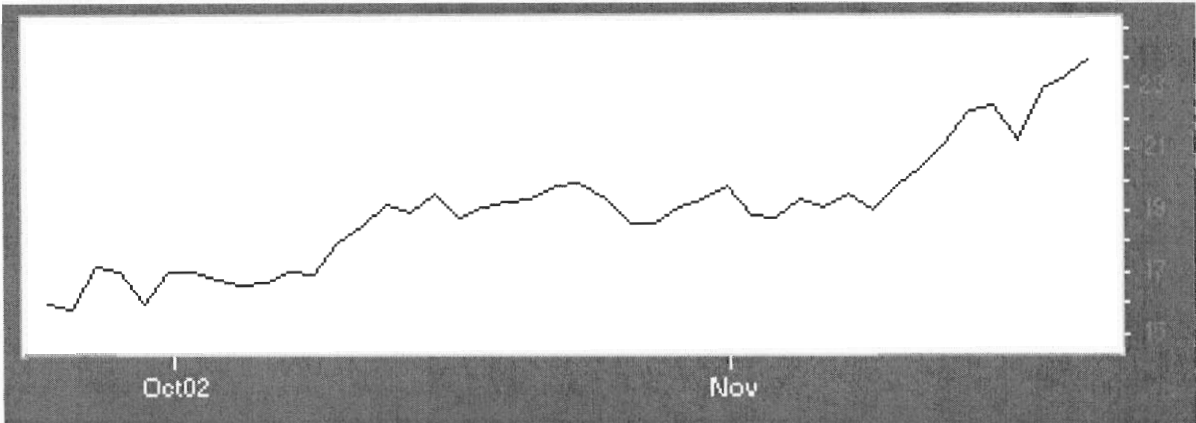
and buy into it when it appears to be going up. This can make you more money than simply leaving the stocks alone.

There are several advantages to long term investing. One is that it is less work. Once you invest, you don't really need to do anything until the time you planned on selling. You don't even have to look at the price on a regular basis. If you don't, it can save you a lot of stress. That's another advantage. Regular investing and day trading can be incredibly stressful, as stocks plummet and rise minute by minute. The major advantage though, is that, given a long enough time frame, you are a lot less likely to lose money with long-term investing than you are with other types of stock market investing.

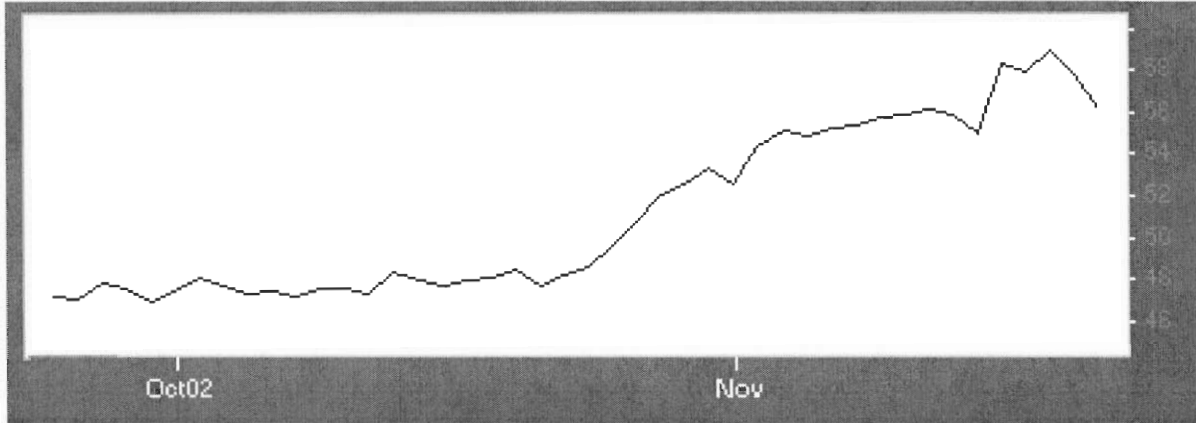
5.3 Performance of our long-term stocks

The following charts are how our long-term stocks performed over the period of time we were trading.

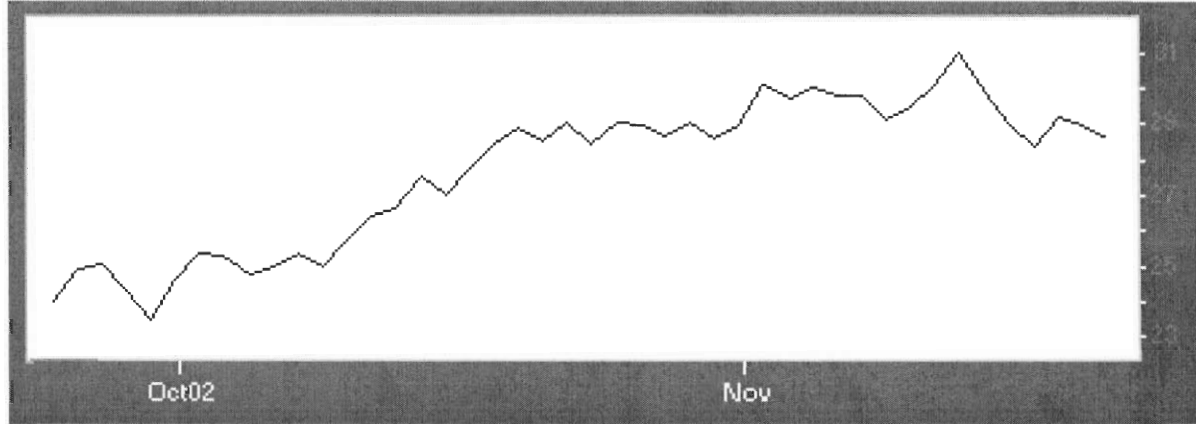
Amazon.com



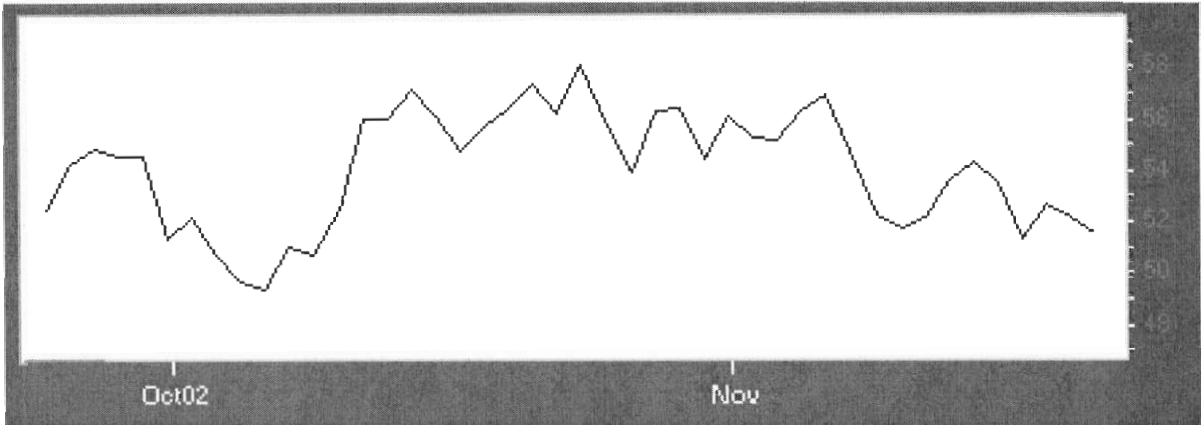
Coca-Cola



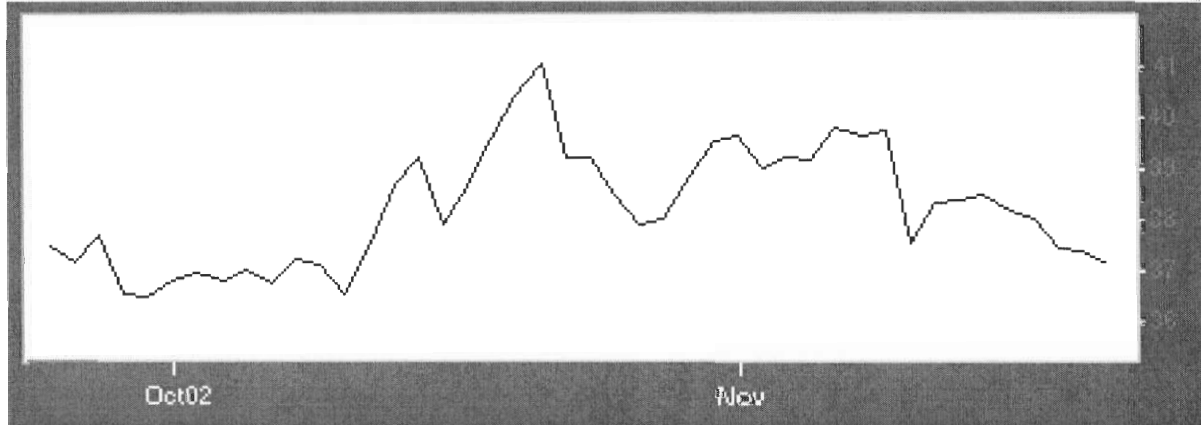
Dell Corporation



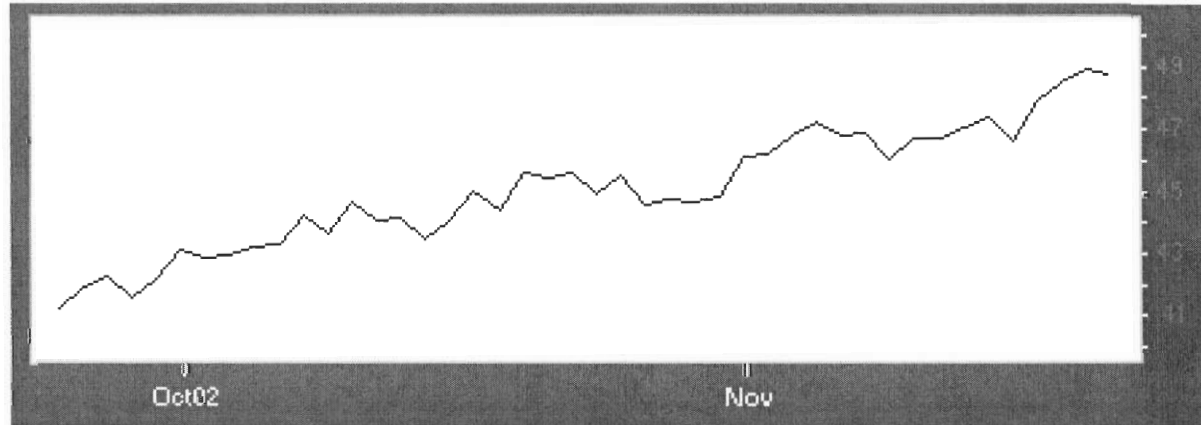
Express Scripts, Inc



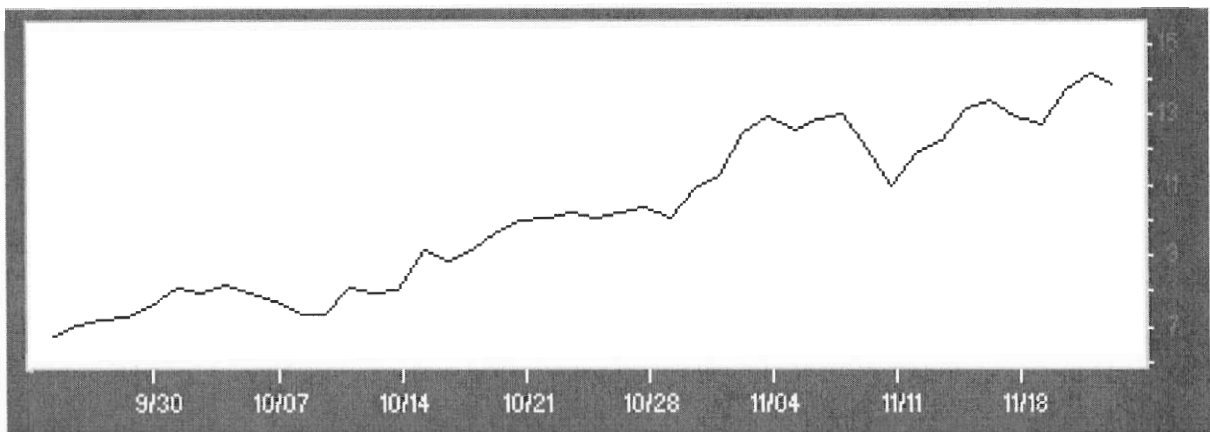
Kraft Foods, Inc



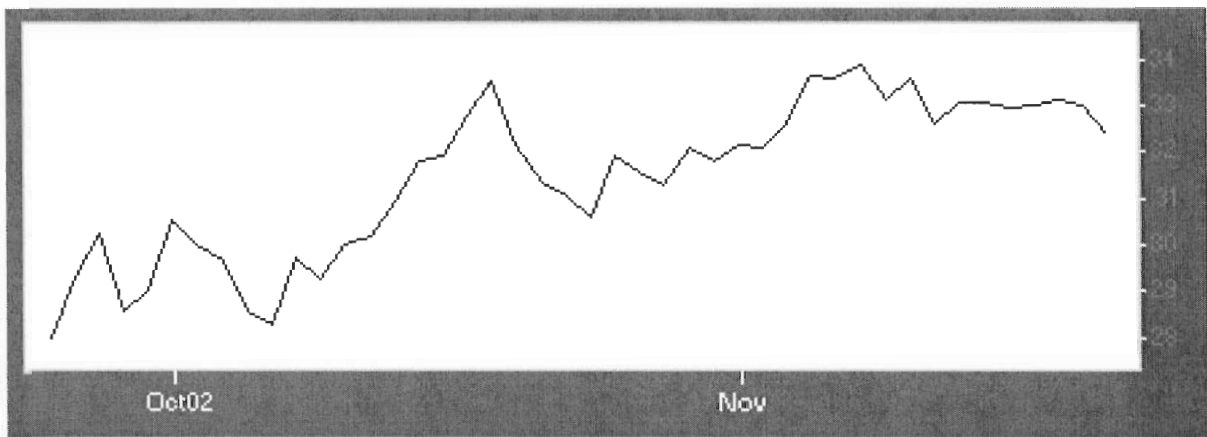
Medtronic, Inc



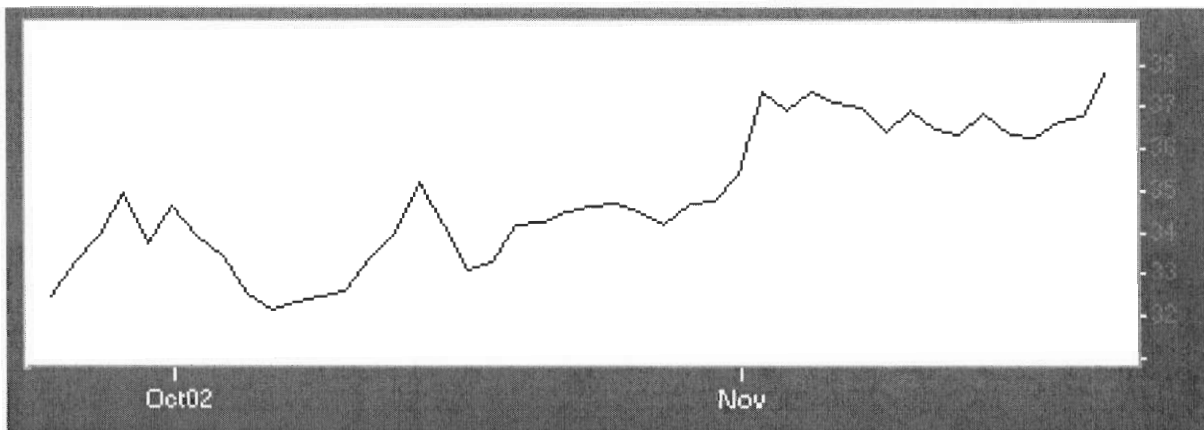
Nextel Communications, Inc



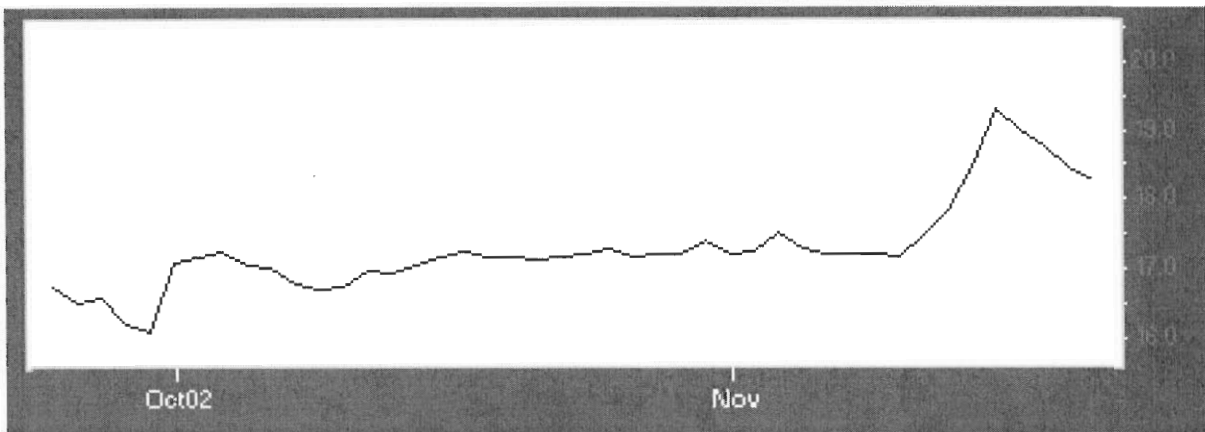
Pfizer, Inc



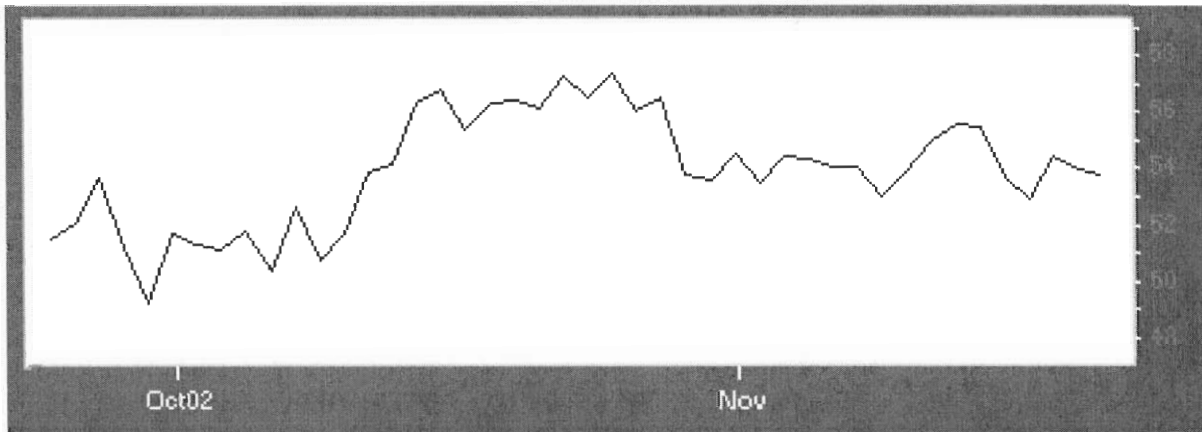
TARO Pharmaceuticals Industries, Ltd.



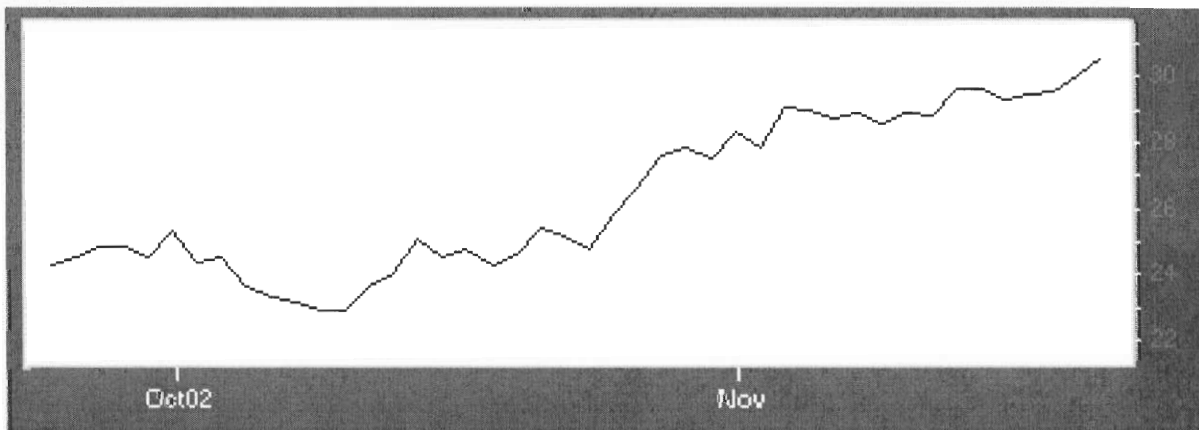
Utah Medical Products, Inc.



Wal-Mart Stores, Inc.



Watson Pharmaceuticals, Inc.



Chapter 6

Conclusion

At the end of our simulation we walked away with \$34 million and change, an increase of 73% on our initial investment. This increase more than satisfies the goals we stated in the beginning of this simulation. We learned about how online trading works and feel comfortable that this would be a good start to possibly trading in the market with our own money in the future.

6.1 Performance of the Market in Relation to our Trading Strategies

There were two different market indexes that we compared ourselves with during this simulation. First was the Dow Jones Industrial Average and the second was the NASDAQ. We followed each of these each day along with our different strategies. At the end of trading the Dow Jones had gained 10.10% while the NASDAQ was just about 20.23%. For our strategies, we achieved better figures, although the difference between the NASDAQ and our long term investing was marginal. For our long term investing we gained 20.79% on our investments, making over \$10,395 on a \$50,000 investment. The other two strategies, day trading and short-term trading, we combined their profits to come up with our gain percentage. In all we came away with a profit of 73%. Of this 73% profits about 13% came from day trading where we made just under \$2 million in the two weeks we allotted for it. The other 87% came from short-term trading, which amounted to over \$12.6 million.

Performance of Day Trading and Normal Trading

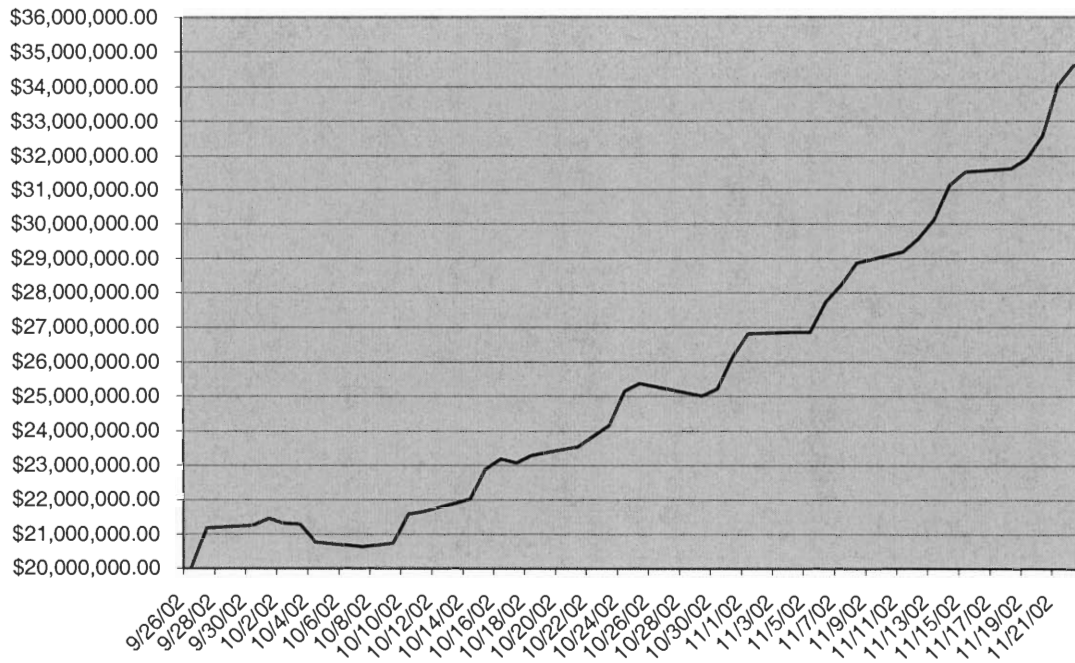


Figure 6.1.1: Chart of Performance in Day trading and Short-Term Trading over our 2-month simulation.

Long Term Investment Portfolio Performance

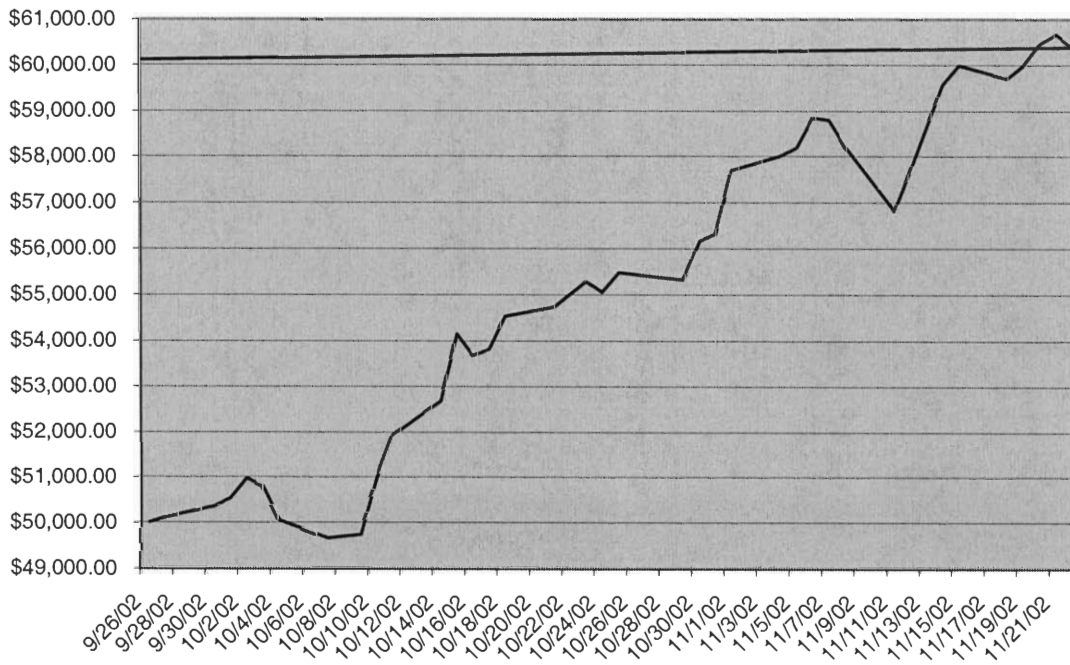


Figure 6.1.2: Chart of Long Term Investment Portfolio Performance over our 2-month simulation

6.2 Results of Trading and our Preferred Methods

We learned quite a bit from this simulation. It took a great deal of time effort to come up with just a few companies that we thought would perform reasonably well. There is a great deal of information out there and a lot to keep track of if you want to do this right. We have definitely figured out that we do not want to day trade for a living. We only did it for two weeks, but trying to keep track of all that was going on and to watch every move that was made was more than any of us would care to do full-time. So much is involved with day trading and to paraphrase from our advisor, “it’s worse than gambling, because you need to keep putting your winnings on the line to make more.” Of our other two strategies there is no clear-cut preference. There are some parts of each strategy that are good. With short-term trading there is more action and more potential profit, but with the added risk and time needed to do it effectively. The long-term strategy allows you more ease on time as transactions are few and far between. It is assumed that there will be good and bad months and that you are looking more at the growth of the company over time than how it is performing at any one time. A roller coaster is pretty boring if you just look at the start and end points, but then you are less likely to have a heart attack.

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Appendix A

Daily Transaction Log

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
24-Sep-02	Cash In	-	-	-	-	20,000,000.00			
24-Sep-02	Buy	IDEV	50,000	1.54	20	77,020.00	0.00	0.0000	0.0000
24-Sep-02	Buy	EP	1,000,000	5.95	20	5,950,020.00	0.00	0.0000	0.0000
24-Sep-02	Sell	EP	1,000,000	6.03	20	6,029,980.00	79,960.00	1.3439	0.4008
24-Sep-02	Sell	IDEV	50,000	1.57	20	78,480.00	1,460.00	1.8956	0.0073
24-Sep-02	Buy	EP	750,000	6.12	20	4,590,020.00	0.00	0.0000	0.0000
24-Sep-02	Sell	EP	750,000	6.2	20	4,649,980.00	59,960.00	1.3063	0.3006
24-Sep-02	Buy	EP	500,000	5.91	20	2,955,020.00	0.00	0.0000	0.0000
24-Sep-02	Sell	EP	500,000	5.96	20	2,979,980.00	24,960.00	0.8447	0.1251
24-Sep-02	Sell Short	CSCO	1,000,000	11.62	20	11,619,980.00	0.00	0.0000	0.0000
24-Sep-02	Buy To Cover	CSCO	1,000,000	11.58	20	11,580,020.00	39,960.00	0.3451	0.2003
25-Sep-02	Buy	LXK	100,000	45.93	20	4,593,020.00	0.00	0.0000	0.0000
25-Sep-02	Sell Short	WMT	25,000	51.49	20	1,287,230.00	0.00	0.0000	0.0000
25-Sep-02	Buy To Cover	WMT	25,000	51.79	20	1,294,770.00	-7,540.00	-0.5823	-0.0378
25-Sep-02	Sell	LXK	100,000	47.23	20	4,722,980.00	129,960.00	2.8295	0.6514
25-Sep-02	Buy	NXTL	500,000	6.87	20	3,435,020.00	0.00	0.0000	0.0000
25-Sep-02	Sell	NXTL	500,000	6.93	20	3,464,980.00	29,960.00	0.8722	0.1502
25-Sep-02	Cash Out	-	-	-	0	50,000.00	0.00	0.0000	0.0000
26-Sep-02	Sell Short	NOK	100,000	14.06	20	1,405,980.00	0.00	0.0000	0.0000
26-Sep-02	Sell Short	XLNX	100,000	16.98	20	1,697,980.00	0.00	0.0000	0.0000
26-Sep-02	Buy	PFE	200,000	29.88	20	5,976,020.00	0.00	0.0000	0.0000

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
26-Sep-02	Buy	ESRX	50,000	54.17	20	2,708,520.00	0.00	0.0000	0.0000
26-Sep-02	Buy	MDT	50,000	41.93	20	2,096,520.00	0.00	0.0000	0.0000
26-Sep-02	Buy To Cover	NOK	100,000	13.88	20	1,388,020.00	17,960.00	1.2939	0.0900
26-Sep-02	Buy To Cover	XLNX	10,000	15.88	20	158,820.00	10,978.00	6.9122	0.0550
26-Sep-02	Buy To Cover	XLNX	90,000	15.78	20	1,420,220.00	107,962.00	7.6018	0.5412
26-Sep-02	Buy	BRCO	200,000	8.7	20	1,740,020.00	0.00	0.0000	0.0000
27-Sep-02	Sell Short	WYE	100,000	38.45	20	3,844,980.00	0.00	0.0000	0.0000
27-Sep-02	Sell Short	MO	100,000	42.73	20	4,272,980.00	0.00	0.0000	0.0000
27-Sep-02	Sell Short	SLR	1,000,000	2.21	20	2,209,980.00	0.00	0.0000	0.0000
27-Sep-02	Sell Short	GE	100,000	26.39	20	2,638,980.00	0.00	0.0000	0.0000
27-Sep-02	Buy To Cover	MO	100,000	38.15	20	3,815,020.00	457,960.00	12.0041	2.2955
27-Sep-02	Buy To Cover	WYE	100,000	32.75	20	3,275,020.00	569,960.00	17.4033	2.8569
27-Sep-02	Buy To Cover	GE	100,000	24.97	20	2,497,020.00	141,960.00	5.6852	0.7116
27-Sep-02	Buy To Cover	SLR	1,000,000	2.21	20	2,210,020.00	-40.00	-0.0018	-0.0002
1-Oct-02	Buy	DELL	250,000	23.8	20	5,950,020.00	0.00	0.0000	0.0000
1-Oct-02	Buy	NXTL	200,000	7.81	20	1,562,020.00	0.00	0.0000	0.0000
1-Oct-02	Sell	DELL	250,000	23.95	20	5,987,480.00	37,460.00	0.6296	0.1878
1-Oct-02	Sell	NXTL	200,000	7.89	20	1,577,980.00	15,960.00	1.0218	0.0800
1-Oct-02	Sell	BRCO	200,000	6.97	20	1,393,980.00	-346,040.00	-19.8871	-1.7345
1-Oct-02	Sell Short	BRCO	1,000,000	6.87	20	6,869,980.00	0.00	0.0000	0.0000
1-Oct-02	Buy To Cover	BRCO	1,000,000	6.75	20	6,750,020.00	119,960.00	1.7772	0.6013
1-Oct-02	Sell	ESRX	50,000	51.01	20	2,550,480.00	-158,040.00	-5.8349	-0.7922
1-Oct-02	Buy	NXTL	500,000	8.13	20	4,065,020.00	0.00	0.0000	0.0000
1-Oct-02	Buy	AMZN	100,000	16.95	20	1,695,020.00	0.00	0.0000	0.0000
1-Oct-02	Buy	PFE	100,000	30.5	20	3,050,020.00	0.00	0.0000	0.0000

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
1-Oct-02	Buy	DELL	100,000	24.64	20	2,464,020.00	0.00	0.0000	0.0000
15-Oct-02	Sell	NXTL	10,000	8.63	20	86,280.00	4,979.60	6.1249	0.0250
15-Oct-02	Buy	BBY	10,000	21.88	20	218,820.00	0.00	0.0000	0.0000
16-Oct-02	Sell	NXTL	490,000	9.09	20	4,454,080.00	470,360.40	11.8071	2.3577
16-Oct-02	Sell	MDT	50,000	43.7	20	2,184,980.00	88,460.00	4.2194	0.4434
16-Oct-02	Sell	PFE	300,000	32.3	20	9,689,980.00	663,940.00	7.3558	3.3280
16-Oct-02	Sell	AMZN	100,000	19.11	20	1,910,980.00	215,960.00	12.7409	1.0825
16-Oct-02	Buy	YHOO	500,000	14.16	20	7,080,020.00	0.00	0.0000	0.0000
16-Oct-02	Sell	DELL	100,000	26.7	20	2,669,980.00	205,960.00	8.3587	1.0324
16-Oct-02	Sell	BBY	10,000	20.15	20	201,480.00	-17,340.00	-7.9243	-0.0869
17-Oct-02	Sell	YHOO	500,000	14.8	20	7,399,980.00	319,960.00	4.5192	1.6038
17-Oct-02	Buy	PFE	200,000	32.44	20	6,488,020.00	0.00	0.0000	0.0000
17-Oct-02	Buy	AMZN	200,000	19.83	20	3,966,020.00	0.00	0.0000	0.0000
21-Oct-02	Sell	PFE	200,000	32.29	20	6,457,980.00	-30,040.00	-0.4630	-0.1506
21-Oct-02	Buy	CSCO	10,000	10.99	20	109,920.00	0.00	0.0000	0.0000
22-Oct-02	Buy	CSCO	10,000	11.4	20	114,020.00	0.00	0.0000	0.0000
22-Oct-02	Sell	CSCO	20,000	11.4	20	227,980.00	4,040.00	1.8041	0.0203
23-Oct-02	Buy	ESRX	200,000	52.31	20	10,462,020.00	0.00	0.0000	0.0000
23-Oct-02	Buy	PFE	100,000	30.6	20	3,060,020.00	0.00	0.0000	0.0000
23-Oct-02	Sell	ESRX	200,000	54.05	20	10,809,980.00	347,960.00	3.3259	1.7442
23-Oct-02	Buy	ESRX	300,000	53.3	20	15,990,020.00	0.00	0.0000	0.0000
23-Oct-02	Sell	ESRX	300,000	54.02	20	16,205,980.00	215,960.00	1.3506	1.0825
23-Oct-02	Buy	ESRX	200,000	55	20	11,000,020.00	0.00	0.0000	0.0000
23-Oct-02	Sell	ESRX	200,000	55.9	20	11,179,980.00	179,960.00	1.6360	0.9021
23-Oct-02	Buy	ESRX	200,000	55.3	20	11,060,020.00	0.00	0.0000	0.0000

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
23-Oct-02	Sell	ESRX	200,000	55.94	20	11,187,980.00	127,960.00	1.1570	0.6414
23-Oct-02	Buy	CREE	100,000	16.71	20	1,671,020.00	0.00	0.0000	0.0000
24-Oct-02	Buy	NXTL	1,500,000	10.8	20	16,200,020.00	0.00	0.0000	0.0000
24-Oct-02	Sell	NXTL	1,500,000	11.5	20	17,249,980.00	1,049,960.00	6.4812	5.2630
25-Oct-02	Buy	ESRX	200,000	55.48	20	11,096,020.00	0.00	0.0000	0.0000
25-Oct-02	Sell	ESRX	200,000	56.7	20	11,339,980.00	243,960.00	2.1986	1.2229
25-Oct-02	Buy	ESRX	200,000	56	20	11,200,020.00	0.00	0.0000	0.0000
25-Oct-02	Buy	COMS	70,000	4.15	20	290,520.00	0.00	0.0000	0.0000
25-Oct-02	Sell	CREE	100,000	17.14	20	1,713,980.00	42,960.00	2.5709	0.2153
28-Oct-02	Sell	ESRX	200,000	55	20	10,999,980.00	-200,040.00	-1.7861	-1.0027
31-Oct-02	Sell Short	ABS	500,000	23	20	11,499,980.00	0.00	0.0000	0.0000
31-Oct-02	Buy To Cover	ABS	500,000	22.42	20	11,210,020.00	289,960.00	2.5866	1.4534
31-Oct-02	Buy	NXTL	200,000	11.05	20	2,210,020.00	0.00	0.0000	0.0000
31-Oct-02	Buy	ESRX	400,000	56.3	20	22,520,020.00	0.00	0.0000	0.0000
31-Oct-02	Sell	ESRX	400,000	57.1	20	22,839,980.00	319,960.00	1.4208	1.6038
31-Oct-02	Buy	ESRX	400,000	56.85	20	22,740,020.00	0.00	0.0000	0.0000
31-Oct-02	Sell	ESRX	400,000	57.05	20	22,819,980.00	79,960.00	0.3516	0.4008
31-Oct-02	Buy	IBM	200,000	79.06	20	15,812,020.00	0.00	0.0000	0.0000
31-Oct-02	Sell	IBM	200,000	79.7	20	15,939,980.00	127,960.00	0.8093	0.6414
31-Oct-02	Buy	IBM	200,000	78.74	20	15,748,020.00	0.00	0.0000	0.0000
31-Oct-02	Buy	ESRX	100,000	54.35	20	5,435,020.00	0.00	0.0000	0.0000
1-Nov-02	Sell Short	MSFT	150,000	52.43	20	7,864,480.00	0.00	0.0000	0.0000
1-Nov-02	Sell	IBM	200,000	78.9	20	15,779,980.00	31,960.00	0.2029	0.1602
1-Nov-02	Buy To Cover	MSFT	150,000	52.14	20	7,821,020.00	43,460.00	0.5557	0.2178
1-Nov-02	Buy	CSCO	200,000	11.15	20	2,230,020.00	0.00	0.0000	0.0000

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
4-Nov-02	Buy	BBY	50,000	20.27	20	1,013,520.00	0.00	0.0000	0.0000
4-Nov-02	Sell	ESRX	50,000	56.65	20	2,832,480.00	114,970.00	4.2307	0.5763
4-Nov-02	Sell	CSCO	100,000	12.38	20	1,237,980.00	122,970.00	11.0286	0.6164
4-Nov-02	Buy	ESRX	100,000	56.3	20	5,630,020.00	0.00	0.0000	0.0000
4-Nov-02	Sell	COMS	70,000	4.41	20	308,680.00	18,160.00	6.2509	0.0910
4-Nov-02	Buy	EMC	100,000	5.82	20	582,020.00	0.00	0.0000	0.0000
4-Nov-02	Sell	EMC	100,000	5.9	20	589,980.00	7,960.00	1.3677	0.0399
4-Nov-02	Buy	ESRX	75,000	56.81	20	4,260,770.00	0.00	0.0000	0.0000
4-Nov-02	Sell	ESRX	100,000	56.85	20	5,684,980.00	54,960.00	0.9762	0.2755
4-Nov-02	Sell	BBY	50,000	20.04	20	1,001,980.00	-11,540.00	-1.1386	-0.0578
4-Nov-02	Buy	IBM	100,000	82.44	20	8,244,020.00	0.00	0.0000	0.0000
4-Nov-02	Sell	CSCO	100,000	12.5	20	1,249,980.00	12,000.00	12.1048	0.0602
4-Nov-02	Sell	IBM	100,000	83.6	20	8,359,980.00	115,960.00	1.4066	0.5813
4-Nov-02	Buy	DELL	100,000	30.17	20	3,017,020.00	0.00	0.0000	0.0000
4-Nov-02	Buy	YHOO	100,000	17.09	20	1,709,020.00	0.00	0.0000	0.0000
5-Nov-02	Buy	BA	50,000	30.4	20	1,520,020.00	0.00	0.0000	0.0000
5-Nov-02	Buy	JNJ	50,000	59.08	20	2,954,020.00	0.00	0.0000	0.0000
5-Nov-02	Sell	BA	50,000	31	20	1,549,980.00	29,960.00	1.9710	0.1502
5-Nov-02	Sell	NXTL	150,000	12.6	20	1,889,980.00	232,465.00	14.0249	1.1652
5-Nov-02	Sell	JNJ	50,000	59.41	20	2,970,480.00	16,460.00	0.5572	0.0825
6-Nov-02	Buy	PFE	200,000	33.61	20	6,722,020.00	0.00	0.0000	0.0000
6-Nov-02	Sell	PFE	200,000	34	20	6,799,980.00	77,960.00	1.1598	0.3908
6-Nov-02	Buy	PFE	200,000	33.54	20	6,708,020.00	0.00	0.0000	0.0000
6-Nov-02	Sell	PFE	200,000	33.7	20	6,739,980.00	31,960.00	0.4764	0.1602
6-Nov-02	Sell Short	DELL	200,000	29.54	20	5,907,980.00	0.00	0.0000	0.0000

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
6-Nov-02	Buy To Cover	DELL	200,000	29.45	20	5,890,020.00	17,960.00	0.3049	0.0900
6-Nov-02	Buy	ESRX	100,000	56.3	20	5,630,020.00	0.00	0.0000	0.0000
6-Nov-02	Sell	ESRX	225,000	56.6	20	12,734,980.00	11,710.00	0.0920	0.0587
6-Nov-02	Buy	ESRX	200,000	56.1	20	11,220,020.00	0.00	0.0000	0.0000
6-Nov-02	Sell	ESRX	200,000	56.63	20	11,325,980.00	-105,960.00	0.9444	-0.5311
6-Nov-02	Sell Short	ESRX	250,000	56.69	20	14,172,480.00	0.00	0.0000	0.0000
7-Nov-02	Sell	YHOO	100,000	16.15	20	1,614,980.00	-94,040.00	-5.5026	-0.4714
7-Nov-02	Sell Short	YHOO	200,000	16.15	20	3,229,980.00	0.00	0.0000	0.0000
7-Nov-02	Sell Short	MIK	200,000	36	20	7,199,980.00	0.00	0.0000	0.0000
7-Nov-02	Buy To Cover	MIK	200,000	32	20	6,400,020.00	799,960.00	12.4993	4.0098
7-Nov-02	Buy To Cover	YHOO	200,000	15.89	20	3,178,020.00	51,960.00	1.6350	0.2605
8-Nov-02	Buy	JNJ	150,000	60.68	20	9,102,020.00	0.00	0.0000	0.0000
8-Nov-02	Sell	JNJ	150,000	60.9	20	9,134,980.00	32,960.00	0.3621	0.1652
11-Nov-02	Buy To Cover	ESRX	250,000	53.21	20	13,302,520.00	869,960.00	6.5398	4.3607
11-Nov-02	Sell	NXTL	50,000	11.59	20	579,480.00	26,975.00	4.8823	0.1352
11-Nov-02	Sell	DELL	100,000	29.27	20	2,926,980.00	-90,040.00	-2.9844	-0.4513
11-Nov-02	Sell	AMZN	200,000	19.2	20	3,839,980.00	-126,040.00	-3.1780	-0.6318
11-Nov-02	Sell	PFE	100,000	33.42	20	3,341,980.00	281,960.00	9.2143	1.4133
11-Nov-02	Buy	ESRX	200,000	51.58	20	10,316,020.00	0.00	0.0000	0.0000
11-Nov-02	Buy	NXTL	200,000	10.99	20	2,198,020.00	0.00	0.0000	0.0000
12-Nov-02	Buy	MMM	100,000	126.56	20	12,656,020.00	0.00	0.0000	0.0000
12-Nov-02	Sell	ESRX	200,000	52.75	20	10,549,980.00	233,960.00	2.2679	1.1727
12-Nov-02	Buy	ESRX	200,000	51.83	20	10,366,020.00	0.00	0.0000	0.0000
12-Nov-02	Buy	CSCO	100,000	12.85	20	1,285,020.00	0.00	0.0000	0.0000
12-Nov-02	Buy	BBY	100,000	18.37	20	1,837,020.00	0.00	0.0000	0.0000

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
13-Nov-02	Buy	CREE	100,000	19	20	1,900,020.00	0.00	0.0000	0.0000
14-Nov-02	Buy	AMAT	100,000	14.98	20	1,498,020.00	0.00	0.0000	0.0000
14-Nov-02	Buy	IBM	50,000	80.38	20	4,019,020.00	0.00	0.0000	0.0000
14-Nov-02	Buy	BGEN	100,000	38.7	20	3,870,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	BGEN	100,000	39.16	20	3,915,980.00	45,960.00	1.1876	0.2304
14-Nov-02	Buy	BGEN	100,000	38.69	20	3,869,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	IBM	50,000	80.78	20	4,038,980.00	19,960.00	0.4966	0.1001
14-Nov-02	Buy	NXTL	200,000	12.66	20	2,532,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	AMAT	100,000	15.16	20	1,515,980.00	17,960.00	1.1989	0.0900
14-Nov-02	Buy	AMZN	50,000	21.22	20	1,061,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	NXTL	200,000	12.96	20	2,591,980.00	393,960.00	17.9234	1.9747
14-Nov-02	Sell	BGEN	100,000	38.7	20	3,869,980.00	960.00	0.0248	0.0048
14-Nov-02	Buy	ESRX	100,000	51.2	20	5,120,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	ESRX	100,000	52.4	20	5,239,980.00	119,960.00	2.3430	0.6013
14-Nov-02	Sell	AMZN	50,000	21.35	20	1,067,480.00	6,460.00	0.6088	0.0324
14-Nov-02	Buy	HPQ	100,000	16.65	20	1,665,020.00	0.00	0.0000	0.0000
14-Nov-02	Buy	SUNW	100,000	3.53	20	353,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	SUNW	100,000	3.56	20	355,980.00	2,960.00	0.8385	0.0148
14-Nov-02	Buy	YHOO	100,000	16.21	20	1,621,020.00	0.00	0.0000	0.0000
14-Nov-02	Buy	JNJ	200,000	60.5	20	12,100,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	ESRX	100,000	53.2	20	5,319,980.00	136,970.00	1.5267	0.6866
14-Nov-02	Sell	BBY	100,000	20.4	20	2,039,980.00	202,960.00	11.0483	1.0173
14-Nov-02	Sell	CREE	100,000	19.76	20	1,975,980.00	75,960.00	3.9979	0.3808
14-Nov-02	Sell	HPQ	100,000	16.84	20	1,683,980.00	18,960.00	1.1387	0.0950
14-Nov-02	Sell	YHOO	100,000	16.3	20	1,629,980.00	8,960.00	0.5527	0.0449

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
14-Nov-02	Sell	CSCO	100,000	13.86	20	1,385,980.00	100,960.00	7.8567	0.5061
14-Nov-02	Buy	ESRX	100,000	52.8	20	5,280,020.00	0.00	0.0000	0.0000
14-Nov-02	Buy	PFE	150,000	33.08	20	4,962,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	PFE	150,000	33.12	20	4,967,980.00	5,960.00	0.1201	0.0299
14-Nov-02	Sell	JNJ	200,000	60.4	20	12,079,980.00	-20,040.00	-0.1656	-0.1005
14-Nov-02	Buy	WPI	50,000	29.99	20	1,499,520.00	0.00	0.0000	0.0000
14-Nov-02	Buy	AMD	100,000	6.51	20	651,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	WPI	50,000	30.02	20	1,500,980.00	1,460.00	0.0974	0.0073
14-Nov-02	Buy	TGT	75,000	33.4	20	2,505,020.00	0.00	0.0000	0.0000
14-Nov-02	Sell	AMD	100,000	6.6	20	659,980.00	8,960.00	1.3763	0.0449
15-Nov-02	Sell	TGT	75,000	33.42	20	2,506,480.00	1,460.00	0.0583	0.0073
15-Nov-02	Buy	ESRX	100,000	53.4	20	5,340,020.00	0.00	0.0000	0.0000
15-Nov-02	Buy	ESRX	200,000	53.84	20	10,768,020.00	0.00	0.0000	0.0000
15-Nov-02	Sell	ESRX	200,000	54.15	20	10,829,980.00	61,960.00	0.5754	0.3106
15-Nov-02	Sell	ESRX	100,000	54.16	20	5,415,980.00	75,960.00	1.4225	0.3808
15-Nov-02	Sell	ESRX	200,000	54.11	20	10,821,980.00	358,950.00	3.4307	1.7992
15-Nov-02	Buy	ESRX	300,000	53.4	20	16,020,020.00	0.00	0.0000	0.0000
15-Nov-02	Sell	ESRX	300,000	53.79	20	16,136,980.00	116,960.00	0.7301	0.5863
15-Nov-02	Buy	FISV	100,000	32	20	3,200,020.00	0.00	0.0000	0.0000
15-Nov-02	Sell Short	IMCL	50,000	11.77	20	588,480.00	0.00	0.0000	0.0000
15-Nov-02	Sell	FISV	100,000	32.06	20	3,205,980.00	5,960.00	0.1862	0.0299
15-Nov-02	Buy To Cover	IMCL	50,000	11.61	20	580,520.00	7,960.00	1.3712	0.0399
15-Nov-02	Buy	TARO	50,000	36.92	20	1,846,020.00	0.00	0.0000	0.0000
15-Nov-02	Sell	TARO	50,000	37	20	1,849,980.00	3,960.00	0.2145	0.0198
18-Nov-02	Sell	MMM	100,000	130.2	20	13,019,980.00	363,960.00	2.8758	1.8244

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
18-Nov-02	Sell	NXTL	200,000	13.75	20	2,749,980.00	551,960.00	25.1117	2.7667
18-Nov-02	Buy	PFE	200,000	33	20	6,600,020.00	0.00	0.0000	0.0000
18-Nov-02	Buy	NXTL	200,000	13.1	20	2,620,020.00	0.00	0.0000	0.0000
19-Nov-02	Sell Short	ESRX	200,000	53.24	20	10,647,980.00	0.00	0.0000	0.0000
19-Nov-02	Buy To Cover	ESRX	200,000	52.35	20	10,470,020.00	177,960.00	1.6997	0.8920
19-Nov-02	Sell Short	ESRX	200,000	52.61	20	10,521,980.00	0.00	0.0000	0.0000
19-Nov-02	Buy To Cover	ESRX	200,000	51.81	20	10,362,020.00	159,960.00	1.5437	0.8018
20-Nov-02	Sell Short	PFE	200,000	33	20	6,599,980.00	0.00	0.0000	0.0000
20-Nov-02	Sell	PFE	200,000	33	20	6,599,980.00	-40.00	-0.0006	-0.0002
20-Nov-02	Buy	ESRX	200,000	51.1	20	10,220,020.00	0.00	0.0000	0.0000
20-Nov-02	Sell	ESRX	200,000	51.78	20	10,355,980.00	135,960.00	1.3303	0.6815
20-Nov-02	Buy To Cover	PFE	200,000	32.32	20	6,464,020.00	135,960.00	2.1033	0.6815
20-Nov-02	Buy	ESRX	200,000	51.45	20	10,290,020.00	0.00	0.0000	0.0000
20-Nov-02	Sell	ESRX	200,000	51.83	20	10,365,980.00	75,960.00	0.7382	0.3808
20-Nov-02	Buy	CSCO	200,000	14.4	20	2,880,020.00	0.00	0.0000	0.0000
20-Nov-02	Buy	BBY	200,000	24.3	20	4,860,020.00	0.00	0.0000	0.0000
20-Nov-02	Buy	JNJ	100,000	59.56	20	5,956,020.00	0.00	0.0000	0.0000
21-Nov-02	Sell Short	ESRX	200,000	52.9	20	10,579,980.00	0.00	0.0000	0.0000
21-Nov-02	Buy	NXTL	200,000	13.95	20	2,790,020.00	0.00	0.0000	0.0000
21-Nov-02	Buy	GE	300,000	24.8	20	7,440,020.00	0.00	0.0000	0.0000
21-Nov-02	Buy To Cover	ESRX	200,000	52	20	10,400,020.00	179,960.00	1.7304	0.9021
21-Nov-02	Sell	GE	300,000	25.91	20	7,772,980.00	332,960.00	4.4753	1.6690
21-Nov-02	Buy	ESRX	200,000	52	20	10,400,020.00	0.00	0.0000	0.0000
21-Nov-02	Buy	GE	300,000	25.64	20	7,692,020.00	0.00	0.0000	0.0000
21-Nov-02	Sell	GE	300,000	26.35	20	7,904,980.00	212,960.00	2.7686	1.0675

Date	Type	Symbol	Shares	Price	Comm	Amount	gain	% gain	overall % gain
21-Nov-02	Sell	ESRX	200,000	52.82	20	10,563,980.00	163,960.00	1.5765	0.8219
21-Nov-02	Sell Short	ESRX	200,000	52.82	20	10,563,980.00	0.00	0.0000	0.0000
21-Nov-02	Buy To Cover	ESRX	200,000	51.89	20	10,378,020.00	185,960.00	1.7919	0.9321
21-Nov-02	Sell	JNJ	100,000	60.2	20	6,019,980.00	63,960.00	1.0739	0.3206
21-Nov-02	Buy	GE	200,000	26	20	5,200,020.00	0.00	0.0000	0.0000
21-Nov-02	Sell	GE	200,000	26.15	20	5,229,980.00	29,960.00	0.5762	0.1502
21-Nov-02	Buy	CREE	100,000	22.6	20	2,260,020.00	0.00	0.0000	0.0000
21-Nov-02	Buy	ESRX	100,000	51.36	20	5,136,020.00	0.00	0.0000	0.0000
21-Nov-02	Buy	PFE	100,000	33.15	20	3,315,020.00	0.00	0.0000	0.0000
22-Nov-02	Sell	ESRX	100,000	52.3	20	5,229,980.00	93,960.00	1.8294	0.4710
22-Nov-02	Buy	NXTL	200,000	13.86	20	2,772,020.00	0.00	0.0000	0.0000
22-Nov-02	Sell	NXTL	200,000	14.08	20	2,815,980.00	43,960.00	1.5858	0.2204
22-Nov-02	Buy	BBY	200,000	25.7	20	5,140,020.00	0.00	0.0000	0.0000
22-Nov-02	Sell	BBY	200,000	26.35	20	5,269,980.00	129,960.00	2.5284	0.6514
22-Nov-02	Sell	BBY	200,000	26.61	20	5,321,980.00	461,960.00	9.5053	2.3156
22-Nov-02	Buy	BBY	100,000	26.1	20	2,610,020.00	0.00	0.0000	0.0000
22-Nov-02	Sell	BBY	100,000	26.5	20	2,649,980.00	39,960.00	1.5310	0.2003
22-Nov-02	Sell	NXTL	400,000	14.24	20	5,695,980.00	285,940.00	5.2854	1.4333
22-Nov-02	Sell	CREE	100,000	22.81	20	2,280,980.00	20,960.00	0.9274	0.1051
total:			24,575,000		4760		14,529,070.00		72.8274

Appendix B

Daily Performance Statistics

Date	Daily Trading	% Change (9/27-11/22)	Portfolio Performance	% Change (9/27-11/22)	DOW JONES	% Change (9/27-11/22)	NASDAQ	% Change (9/27-11/22)
Start	\$ 20,000,000.00		\$ 50,000.00		7997.12		1221.61	
9/27/2002	\$ 21,178,340.00	5.89%	\$ 50,116.41	0.23%	7701.45	-3.70%	1199.16	-1.84%
9/30/2002	\$ 21,259,540.00	6.30%	\$ 50,345.85	0.69%	7591.93	-5.07%	1172.06	-4.06%
10/1/2002	\$ 21,466,620.00	7.33%	\$ 50,542.93	1.09%	7938.79	-0.73%	1213.72	-0.65%
10/2/2002	\$ 21,299,600.00	6.50%	\$ 50,969.46	1.94%	7755.61	-3.02%	1187.30	-2.81%
10/3/2002	\$ 21,291,600.00	6.46%	\$ 50,808.61	1.62%	7717.19	-3.50%	1165.56	-4.59%
10/4/2002	\$ 20,784,100.00	3.92%	\$ 50,042.90	0.09%	7528.40	-5.86%	1139.90	-6.69%
10/7/2002	\$ 20,619,600.00	3.10%	\$ 49,654.25	-0.69%	7422.84	-7.18%	1119.40	-8.37%
10/8/2002	\$ 20,679,850.00	3.40%	\$ 49,696.14	-0.61%	7501.49	-6.20%	1129.21	-7.56%
10/9/2002	\$ 20,740,100.00	3.70%	\$ 49,738.03	-0.52%	7286.27	-8.89%	1114.11	-8.80%
10/10/2002	\$ 21,581,500.00	7.91%	\$ 50,974.82	1.95%	7533.95	-5.79%	1163.37	-4.77%
10/11/2002	\$ 21,656,100.00	8.28%	\$ 51,919.18	3.84%	7850.29	-1.84%	1210.47	-0.91%
10/14/2002	\$ 22,017,100.00	10.09%	\$ 52,686.73	5.37%	7877.40	-1.50%	1220.53	-0.09%
10/15/2002	\$ 22,887,460.00	14.44%	\$ 54,152.51	8.31%	8255.68	3.23%	1282.44	4.98%
10/16/2002	\$ 23,177,020.00	15.89%	\$ 53,668.02	7.34%	8232.10	2.94%	1232.42	0.88%
10/17/2002	\$ 23,080,960.00	15.40%	\$ 53,808.83	7.62%	8275.04	3.48%	1272.29	4.15%
10/18/2002	\$ 23,288,960.00	16.44%	\$ 54,537.00	9.07%	8322.40	4.07%	1287.86	5.42%
10/21/2002	\$ 23,546,820.00	17.73%	\$ 54,737.54	9.48%	8538.24	6.77%	1309.67	7.21%
10/22/2002	\$ 23,844,800.00	19.22%	\$ 55,011.21	10.02%	8450.16	5.67%	1292.80	5.83%
10/23/2002	\$ 24,142,780.00	20.71%	\$ 55,284.89	10.57%	8494.27	6.22%	1320.23	8.07%
10/24/2002	\$ 25,151,740.00	25.76%	\$ 55,057.93	10.12%	8317.34	4.00%	1298.71	6.31%
10/25/2002	\$ 25,367,740.00	26.84%	\$ 55,474.71	10.95%	8443.99	5.59%	1331.13	8.97%
10/28/2029	\$ 25,194,930.00	25.97%	\$ 55,401.79	10.80%	8368.04	4.64%	1315.83	7.71%
10/29/2002	\$ 25,022,120.00	25.11%	\$ 55,328.87	10.66%	8368.94	4.65%	1300.54	6.46%
10/30/2002	\$ 25,215,250.00	26.08%	\$ 56,157.88	12.32%	8427.41	5.38%	1326.73	8.61%

Date	Daily Trading	% Change	Portfolio	% Change	DOW JONES	% Change	NASDAQ	% Change
		(9/27-11/22)	Performance	(9/27-11/22)		(9/27-11/22)		(9/27-11/22)
10/31/2002	\$ 26,151,230.00	30.76%	\$ 56,310.98	12.62%	8397.03	5.00%	1329.75	8.85%
11/1/2002	\$ 26,821,020.00	34.11%	\$ 57,706.95	15.41%	8517.64	6.51%	1360.70	11.39%
11/4/2002	\$ 26,865,470.00	34.33%	\$ 58,005.75	16.01%	8571.60	7.18%	1396.54	14.32%
11/5/2002	\$ 26,862,870.00	34.31%	\$ 58,191.06	16.38%	8678.27	8.52%	1401.17	14.70%
11/6/2002	\$ 27,734,650.00	38.67%	\$ 58,843.90	17.69%	8771.01	9.68%	1418.99	16.16%
11/7/2002	\$ 28,240,050.00	41.20%	\$ 58,795.46	17.59%	8586.24	7.37%	1376.71	12.70%
11/8/2002	\$ 28,863,760.00	44.32%	\$ 58,211.95	16.42%	8537.13	6.75%	1359.28	11.27%
11/11/2002	\$ 29,188,970.00	45.94%	\$ 56,821.52	13.64%	8358.95	4.52%	1319.19	7.99%
11/12/2002	\$ 29,588,270.00	47.94%	\$ 57,697.37	15.39%	8386.00	4.86%	1349.56	10.47%
11/13/2002	\$ 30,121,640.00	50.61%	\$ 58,631.11	17.26%	8398.49	5.02%	1361.34	11.44%
11/14/2002	\$ 31,145,320.00	55.73%	\$ 59,564.85	19.13%	8542.13	6.82%	1411.52	15.55%
11/15/2002	\$ 31,518,790.00	57.59%	\$ 59,987.64	19.98%	8579.09	7.28%	1411.14	15.51%
11/18/2002	\$ 31,616,710.00	58.08%	\$ 59,706.52	19.41%	8486.57	6.12%	1393.82	14.10%
11/19/2002	\$ 31,917,560.00	59.59%	\$ 59,985.45	19.97%	8474.78	5.97%	1374.51	12.52%
11/20/2002	\$ 32,568,430.00	62.84%	\$ 60,455.36	20.91%	8623.00	7.83%	1419.35	16.19%
11/21/2002	\$ 34,041,130.00	70.21%	\$ 60,666.23	21.33%	8845.15	10.60%	1467.55	20.13%
11/22/2002	\$ 34,614,888.00	73.07%	\$ 60,395.79	20.79%	8804.70	10.10%	1468.74	20.23%