The Handbook of Equity Market Anomalies: Translating Market Inefficiencies into Effective Investment Strategies (Wiley Finance)

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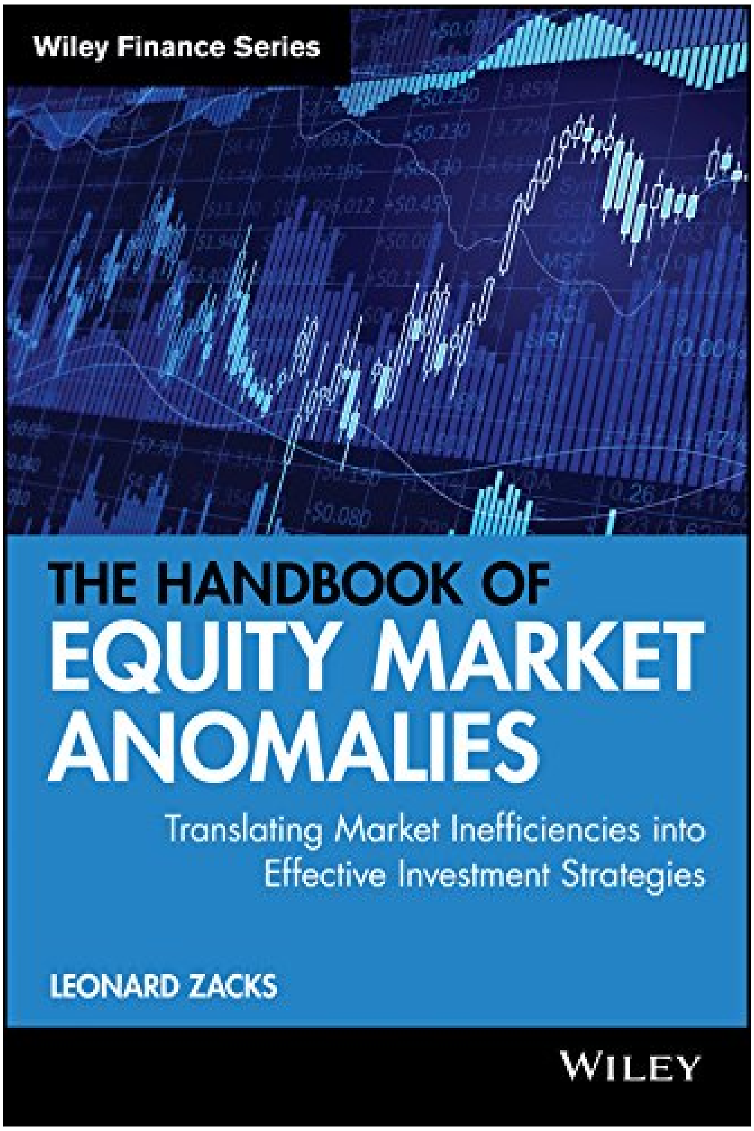

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From Wiley : The Handbook of Equity Market Anomalies: Translating Market Inefficiencies into Effective Investment Strategies (Wiley Finance) before purchasing it in order to gage whether or not it would be worth my time, and all praised The Handbook of Equity Market Anomalies: Translating Market Inefficiencies into Effective Investment Strategies (Wiley Finance):

8 of 8 people found the following review helpful. Clearly the "efficient market theory" is not in a very healthy stateBy

JackalThis is a must buy if you are interested in quant-oriented trading in the stock market. Based on reviews of the academic literature, a number of market imperfections are highlighted. Each kind of imperfection (e.g. momentum, seasonal) gets a chapter written by a different junior academic in finance or accounting. While I do prefer a single author approach for consistency, this is less of a concern here. Each chapter is really free-standing and does not build on any of the other chapters. Overviews of existing research are provided, but the research was not conducted to make money in the market. The research was made to be published in academic journals (often behind pay-walls). That means that there is a big gap between this book and actually making money.I see two audiences for the book: (1) Any trader should be broadly aware of these imperfections, even if he is not explicitly setting out to profit from them. The book will provide this overview, but it might be a bit overkill because of all the academic references. Still, I would prefer a bit overkill than some third rate author writing a popular book on the subject. (2) Quant-oriented traders can take it one step further and actually try to profit from the anomalies. This would require reading some of the referenced academic literature and doing your own back testing. Actually, for this audience there are better academic review articles written one each individual topic in this book. However, they are difficult to find and get hold of if you do not have electronic access to the academic journals. There is clearly a lot of opportunity to beat the market if you are able to stick with an approach. Naturally you must be aware that a lot of hedge funds are also accessing this kind of information.There is a website to accompany the book, but I don't think anyone in these two groups would really find it useful. It seems to be put up by the publisher only. Another negative aspects is the varying quality of the contributions, but that is hard to avoid in an edited volume.8 of 8 people found the following review helpful. A Great Summary of AcademiaBy Kindle CustomerIn 11 chapters, this book neatly summarizes "market anomalies," or as I prefer to call them, "reasons why the efficient market hypothesis is WRONG." The introduction states that you should have an MBA-level of familiarity with the subjects, but anyone who's fairly up to date with behavioral finance should be able to read through it just fine. Also state that it's mainly for quant-oriented traders/investors, but there's certainly a lot to gain for buy-and-holders as well. All of the authors are noted academics in accounting and finance, and present in 30 pages each different kinks in the EMH armor. The one chapter on technical analysis, which I loathe, actually focused on Thaler's earlier work from the 1980s centering on mean reversion, which is quite relevant, especially for value-oriented investors like myself.As another huge plus, the "capital asset pricing model" and "beta" (both of which have been thoroughly discredited, yet still remain popular) aren't dealt with until the very last chapter, which is where that discussion belongs. Pay particular attention to chapters 2 (accrual and earnings quality), 5 (fundamental factors and Piotroski's F-Score and the G-Score), and 9 (Value and size "risk" premiums).Overall, it's a great read that summarizes recent academic prodding into the "inefficient market hypothesis," which each chapter utilizing a thorough works cited for the more curious. Should be purchased in tandem with "What Works on Wall Street"0 of 0 people found the following review helpful. Great summary of market anomalies targetted by quant investorsBy bmanFor anyone looking for a book on quant investing and the anomalies quants seek to exploit, this is a great choice.

Investment pioneer Len Zacks presents the latest academic research on how to beat the market using equity anomalies The Handbook of Equity Market Anomalies organizes and summarizes research carried out by hundreds of finance and accounting professors over the last twenty years to identify and measure equity market inefficiencies and provides self-directed individual investors with a framework for incorporating the results of this research into their own investment processes. Edited by Len Zacks, CEO of Zacks Investment Research, and written by leading professors who have performed groundbreaking research on specific anomalies, this book succinctly summarizes the most important anomalies that savvy investors have used for decades to beat the market. Some of the anomalies addressed include the accrual anomaly, net stock anomalies, fundamental anomalies, estimate revisions, changes in and levels of broker recommendations, earnings-per-share surprises, insider trading, price momentum and technical analysis, value and size anomalies, and several seasonal anomalies. This reliable resource also provides insights on how to best use the various anomalies in both market neutral and in long investor portfolios. A treasure trove of investment research and wisdom, the book will save you literally thousands of hours by distilling the essence of twenty years of academic research into eleven clear chapters and providing the framework and conviction to develop market-beating strategies. Strips the academic jargon from the research and highlights the actual returns generated by the anomalies, and documented in the academic literature Provides a theoretical framework within which to understand the concepts of risk adjusted returns and market inefficiencies Anomalies are selected by Len Zacks, a pioneer in the field of investing As the founder of Zacks Investment Research, Len Zacks pioneered the concept of the earnings-per-share surprise in 1982 and developed the Zacks Rank, one of the first anomaly-based stock selection tools. Today, his firm manages U.S. equities for individual and institutional investors and provides investment software and investment data to all types of investors. Now, with his new book, he shows you what it takes to build a quant process to outperform an index based on academically documented market inefficiencies and anomalies.