



ClearStation Education: Using ClearStation

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Using ClearStation

The Site

3-Point Investing

ClearStation is a fairly comprehensive finance site. We work hard to give you exactly what you are looking for, but with all the information available, it's natural to feel overwhelmed... especially if you are new to technical analysis or to the Web.

It's not as hard as you think! In fact, it's not hard at all. All you need is a little time to browse and get familiar with the site - and the patience that's part of every learning process.

In this section, you'll learn:

- How to get the most out of **Recommend**, **Portfolio**, **Tag & Bag**, and **Focus**
- How to use the **Member Discussions** to your greatest advantage
- How to adapt the **3-Point Investing** strategy to your trading

Focus Highlights by kathia

Focus is the headquarters of your ClearStation account. It provides a quick overview of your Portfolios and Watch List as well as a brief rundown of other hot tidbits from the rest of the site.

Focus summarizes the rest of the site; rather than visiting many separate places to gather information, you can start at Focus and skim through what is pertinent to the stocks you're interested in.

At the top of the page you have a list of your portfolios and how much they have gained or lost for the day. Next to that is a long list of events—technical and fundamental—related to the stocks in your portfolios and Watch List. After that you have a bunch of stats on these stocks, followed by highlights from other areas of the site.

Focus is extremely useful. It saves you from constantly having to look at your portfolio and Watch List performances. And the events list is valuable! Nowhere else can you get such a quick review so easily.

- Focus makes it easy to keep track of stocks you're considering investing in—just add the stock to your portfolio or Watch List, and it lands on Focus complete with relevant items.
- One of ClearStation's best features is its stock screening tools as exemplified by the **A-List**. The A-List is the cream of the crop of top-performing stocks according to a multitude of criteria: from stocks that are trending hard to stocks exhibiting earnings surprises.

Use the A-List on your Focus page to grab new investment ideas! Many successful recommendations have been plucked directly from the A-List. Add individual stocks that interest you to your Watch List or create a tracking portfolio to follow an entire A-List that looks enticing. (The stocks will appear in the Portfolio and Watch List summaries at the top of your Focus page.)

Getting the Most Out of Recommend by kathia

One of the privileges of ClearStation membership is access to a large community of passionate investors willing to share their views and knowledge with you.

The hub of community activity is located within the Recommend area. Recommend is a feature unique to ClearStation: it hosts lists of member-recommended stocks.

Let's back up a second. Upon registering, you are automatically set up with a "recommend" portfolio. While any other portfolio you create is completely private, as soon as you add a stock to your "recommend" portfolio any other person using the site can review it. The stocks you enter here are stocks that you would like to recommend to the rest of the community, and your "Recommend List" is then accessible to all. (If you do not wish to make any recommendations that's fine—participation is not mandatory.)

Equally, you can peruse the lists of other members. If you notice that one member has great picks, you can subscribe to his/her list. That means that whenever that member makes a recommendation you are notified of it by email (if the person makes no comments with the recommendation an email is not sent). There is no charge for subscribing to anyone's lists, and you can unsubscribe at any time. (When you first register, you are automatically subscribed to "kensey's" list as an introduction to Recommend.) kensey is one of the founders of ClearStation and the chief analyst on the site.)

Do you understand the power of being able to subscribe to someone's Recommend list? It allows you to find a high-performing portfolio and follow it along in detail. Not only does this let you learn from other traders who may be more seasoned than you, but it also provides you with a vast number of new investment possibilities.

When a member makes a recommendation, you should not view it as a declaration that you need to get on the phone with your broker and purchase shares of the stock now. Recommendations should be taken as food for thought. Make your own decisions—don't blindly follow someone else's suggestions.

In Recommend, the member lists are broken down into three categories: lists you are subscribed to, lists of the ClearStation core members, and the top-performing lists of the day.

- To be included on this page, lists have to contain at least four stocks. Even if a list has high gains that are competitive with other lists, it will not be included unless it has at least four stocks.
- To see the actual list, click on the member's username.
- Want to see a Recommend List that isn't on the page? Just enter the correct username in the search box at the bottom of the page. Be sure that you type in the username correctly—the system is case-sensitive!
- All lists are sorted according to how much they netted for the day. You can change this order by clicking on the column header links. For example, if you wanted to see the lists the have the highest average % gain you would click on "avg % gain."
- Recommend Lists you are subscribed to are at the top of the page to give you a quick look at how they are doing. You can subscribe to an unlimited number of Recommend Lists.
- Next you have the ClearStation core. This group consists of members chosen by kensey for a number of different criteria: good performance history for their recommendations, descriptive explanations, and active participation to name a few. For the most part, the ClearStation core are just

members and do not work for ClearStation; however, employees of the site have been included in this group at various times.

- The last set of lists is the top-performing Recommend Lists of the day. Remember that you can sort the lists differently by clicking on any column header link!

Bring Your Own Soapbox: Member Discussions by kathia

One of the richest resources to you as a ClearStation member is your fellow member. Our large, experienced community of investors participates actively in Member Discussions¹. You can glean invaluable information about individual stocks, investment strategies, and other relevant topics on the boards. In the Discussions, you'll find not only lively, passionate debate about stocks but a group of investors—novice as well as seasoned—sharing their experiences, ideas, and knowledge. We highly recommend taking advantage of it!

Here are some tips for using the Discussions:

- Use the Discussions as a sounding board for investments you're considering. Take a look at what others are saying about the stock—see what kinds of recommendations people are making and why. If a stock has 3 recommendations to go long and 36 to short, you may want to research it a bit more before taking a long position in it.
- Before you take advice from someone, you may want to check out his/her Recommend List. To do that, just click on the person's username.
- If you have a question, by all means, ask it! If it's a general question for anyone to pick up, just add a post. If it's a question for a specific member or related to a specific post, click on the relevant post and then click on the "Reply" link. The member will be notified of your reply by email.
- Likewise, if someone replies to your post, you will be notified by email. **Do not reply to the email!** The response will go to ClearStation Support rather than the person it was intended for. Go back to the Discussion area and reply to the post there.
- Lastly, always be courteous in the Discussions. We don't take kindly to malevolent or rude posts. In fact, they can result in a loss of posting privileges or account deactivation.

¹ You can access the Discussions from any graph detail page (the link is on the action bar—at the top of the page just under the header).

Portfolio as a Learning Tool by kathia

Portfolio can be a useful learning tool.

As you read through the other Education articles, you'll discover investing methods and ideologies that you may not have applied to your own trades before. If you see one that piques your interest, use Portfolio to try it out!

ClearStation members can create an unlimited number of portfolios. A tracking portfolio is an excellent, risk-free way to test a new investing strategy. In your trial portfolio, pretend to buy and sell stocks only according to principles that you wish to test. See how you do over a period of time before you use the strategies in real life.

Yes, you could add these stocks to your Watch List—after all, Watch List was designed specifically for tracking stocks you are considering taking positions in. However, there are a few advantages to creating a tracking portfolio:

- The graph of any stock in your portfolios is annotated with a blue circle at the point you opened the position and a red one when you close. It's helpful at times to be able to see how your position is doing relative to the price action of the stock.
- You can keep track of positions over time in order to determine how you are doing.
- Closed positions are recorded so that you can go back and examine your successes as well as the bombs to see what worked for you and what you may have to rethink.
- If you have any questions about how to perform specific functions in Portfolio (add a stock, delete a stock, etc.) please take a look at our Help area for more details.

Finding Investment Ideas with Tag & Bag by kathia

One of the most useful tools on ClearStation, Tag & Bag consists of lists upon lists of stocks, screened and sorted according to a multitude of criteria—technical, fundamental, and community.

What's so special about Tag & Bag? It's a shortcut. It's a timesaving way of reviewing new investment ideas, sorted by category. If you like to buy stocks just prior to a split, for instance, Tag & Bag serves them up on a platter!

At first glance, T&B may not look "time-efficient." All those lists... so many stocks within each list... how does one find time to explore it?

That's the beauty of this area: it's grouped by category so you can go directly to the lists that interest you. Pre-sorted, pre-sifted, pre-chewed—that's Tag & Bag! Here are a few tips for optimizing your T&B usage:

- Determine which lists give you the best stock picks according to your investing style and concentrate on those. If you have extra time to kill you can always go back later and look at additional lists. For example, if you trade stocks that do high volume, use the "Most Actives" category; if you like stocks that are starting to trend, use "Today's Trending Issues." You get the picture.
- Lists can be sorted by any of the column headers that appear as links—just click on one.
- When viewing a list, use the "Graphs in Bulk" feature. It's a very powerful tool! It allows you to quickly scan hundreds of graphs at a time. By taking a quick look at a stock's graph, you can decide which stocks merit more in-depth research. When you find one, click on the stock's name to go to its detail page or simply add it to your Watch List to follow it more closely over a period of time.

The graphs will appear in the order that the list is sorted by. So if you sort the list alphabetically, the graphs will also be in alphabetical order.

"Graphs in Bulk" can be adjusted to your preferences by going to Customize (on the top line of the ClearStation nav bar). You can select the number of graphs you'd like to see per page as well as the size of the graphs and which indicators you'd like shown.

3-Point Investing: The Basics by kathia

How do you decide which stocks to invest in?

People have different ways of picking stocks and validating their investment decisions. Some people use fundamental analysis: news, market research, what analysts are saying, etc. Others use a more scientific approach—technical analysis. Then there are those who base their decisions on what they hear from their sphere of influence.

Are any of these methods wrong? Indeed not! However, if you combine all of these into a system of "checks and balances," you'll have a more powerful tool at your fingertips.

ClearStation breaks this all down into a **3-Point Investing Approach**.

The basic premise of 3-Point Investing is that there are three ways you can find stock picks: using technical analysis, using fundamental analysis, or by getting ideas from the community. Once you have your pick, the other two areas help validate and monitor the choice.

For example, let's say at dinner last night Uncle Vito told you about what he claimed to be the hot stock of the coming year. His excitement was contagious, so you decide to investigate this one further. This being a community pick (you got the idea from people around you), your next move is to check the stock's fundamental and technical information in order to determine whether it merits your time or is just another dog like the last five tips Uncle Vito gave you. If the stock looks promising, add it to your Watch List—this allows you to keep an eye on it for awhile to see how it performs.

Make sense?

Understanding Fundamental, Technical, and Community Analyses by kathia

Is it clear what technical, fundamental, and community analyses are?

Technical analysis is a more scientific approach to determining a stock's health. To sum it up, it's using math in order to spot patterns and trends in the historical price action and using them to predict future price action. Simply put, it is reading and interpreting graphs: formula points are plotted on graphs, and by analyzing the information on the graph you can get an idea of how the price of a stock will move.

Technical analysis assumes that all the factors that influence a stock's health are built into the price. This includes earnings, management changes, investor activity, and so forth.

Fundamental analysis is broader in scope and more commonly used than technical analysis. Basically, it is using all available information to determine how good an investment a particular stock is. It involves looking at the company's earnings, reading up on recent news, and examining income statements, and the like.

Community analysis is simply getting ideas from your environment. It's including the views of those around you and taking their knowledge into consideration as a factor in your investment decisions.

Finding Stocks Using the 3-Point Approach by kathia

ClearStation provides you several ways to find investment ideas—here are a few to get you started:

Get ideas using technical analysis:

- From the A-List selections from your Focus page.
- From Tag & Bag lists pinpointed on technical information.
- By deciding that the graph on a stock looks really good.

Get ideas using fundamental analysis:

- From Tag & Bag lists focused on fundamental information.
- By reading interesting news on a stock.
- By researching the stock's earnings projections, analyst ratings, etc.

Get ideas using the community around you:

- From suggestions by other members in Recommend.
- By getting tips from other experienced and knowledgeable investors in the Member Discussions.

Evaluating Your Stock Ideas by kathia

Once you've found a stock that interests you, the next step is deciding whether or not it's going to make you money. If you used technical analysis to pick the stock, you would want to check the fundamentals surrounding that stock as well as what other people are saying. If you used fundamentals, you would want to study the technical indicators in addition to reading up on what people think. If you used a community recommendation, you would check the technical and fundamental information.

Most of your research can be done from a stock's graph detail page. This page is loaded with everything you need in order to make a sound decision.

Go to the stock's detail page (one way is to enter the stock's symbol in the Get Graphs! box at the very top of any ClearStation page).

- You'll see the graphs—they provide the basic data (price, volume, etc.) you need to determine if a stock is technically sound. If you don't understand how to read and use the graphs, never fear! Links next to the graphs direct you to the corresponding Education articles.

If you are comfortable with the basic indicators shown, or like to use other ones, you may click on the link for the Interactive Graph Tool (on the action bar at the top of the page) to build your own graphs. However, if you're new to technical analysis, we encourage you to get familiar with the basics before trying to conquer new territory.

- At the bottom of the page you'll see a list of all recent news items related to that stock. For more company and stock background, check out the action bar—you'll find links for Profile & Quote data and Analysts & Earnings information.
- Also on the action bar, you'll see the link for Member Discussions. This is where you'll find out what other ClearStation members are saying about the stock—whether they recommend going long or short and why.

The best way to get good at picking stocks is by practicing a lot! Use the 3-Point Investing method as a guideline, and find out which approaches work best with your investment strategy. Create a tracking portfolio using this method and see how you do. No system or approach can guarantee that you make money on your investment, but by taking advantage of all the resources available to you, you cut the risk involved enormously—and increase your chances of succeeding.

Monitoring Your Investment Ideas by kathia

Once you've decided a stock is worthy of your time and energy, there are two ways you can monitor it: add it to either your Watch List or one of your Portfolios.

If you are interested in only a quick view of the stock, add it to your Watch List. Watch List provides a "bare-bones" look at the stocks you are interested in. You get pertinent information in a quick, easy-to-view format.

However, if you'd like a more comprehensive look at the stock, create a tracking portfolio. With a portfolio, you get a more complete look at the performance of the stock over a period of time.

Once you've added the stock to your Watch List or Portfolio, your Focus page helps you monitor it. Focus lists how well the stock is doing as well as any fundamental or technical events affecting it. Let's say a stock you're tracking goes up 11 in one day: it not only gets listed in the "Doing Well" column but also in the Percentage Gainers category—and any other category that it may qualify for.