

Trading Software Providing Predictive Market Trend Forecasting And Global Inter-market Analysis to Traders and Investors



Lane J. Mendelsohn
Vice President
Market Technologies, LLC

CEOCFO: Mr. Mendelsohn, would tell us the scope of Market Technologies?

Mr. Mendelsohn: Market Technologies is a leading technology company in the trading software industry. My father Louis Mendelsohn developed the first piece of commercially available trading software that did back testing and introduced that in 1983. Ever since then we have been on the cutting-edge of providing traders and investors with technology that can help them to preserve their capital and be successful in the markets so that they can grow their accounts and build their nest eggs.

CEOCFO: What is it about your technology that is cutting-edge?

Mr. Mendelsohn: There are two things that our software has and does that no other software out there is offering to the individual trader. The first thing that our software is doing is something called trend forecasting. Going back decades, the traditional technical analysis and the ways that people were making the trading decisions was a method called trend following which meant that they were looking at different indicators, looking at charts and getting news and information. Essentially the information was all lagging. It was past information and it was stuff that had already happened. What the trader or the investor does at that point is they have to react to what the market has already done and in a sense chase the train down the tracks. We have developed a set of indicators that are trend forecasting indicators so as opposed to lagging behind the market and the trend, we are actually forecasting the trend and what it is likely to do in the future and we are able to do that with accuracy of 86%. This allows the trader and the investor to have advanced warning of what a trend is likely to do with a high degree of accuracy so that they can either get into a trade or get out of a trade before the market makes its move. That is how our customers are able to have a substantial edge over almost all the other traders. We have a patent on that technology, being able to transform traditional technical analysis indicators that lag into trend forecasting and leading indicators. That is one component of what we do. The other component is that we are in a global economy and we have been in the global economy whether people realize or not since the mid nineteen eighties. My father recognized this in very early on. He was convinced of it when the 1987 stock market crash occurred, where the stock market in Asia crashed. That triggered a stock market crash in Europe, which then finally landed here in the US. That was the first global economic meltdown that we saw. Unfortunately, traders today still do not have a way of taking into account how markets around the world can impact the stocks that they are trading here in the US. We have developed technology that does something called inter-market analysis which analyzes the relationships between markets and that is how we are able to forecast so accurately. If someone is trading Apple stock instead of just looking at a chart on Apple, instead of just reading news and report about Apple as a company, what our technology does is it actually analyzes all of the other stocks from the US and around the world that drive and impact the price of Apple. That is how we are able to give our customers advanced warning as to what Apple is likely to do in the coming days.

CEOCFO: Is it that you have developed the technology or that you have figured out what gets more weight, or is there something you might throw in the mix that others do not think is important?

Mr. Mendelsohn: It gets very complex. VantagePoint it is not something that people can replicate. We have a niche here. We do not have any competition because there is nobody else that can do the level of analysis that we have been able to

achieve. We have spent millions of dollars in research and development over the course of decades. That is what our customers are benefitting from. In 2016 when they buy our software, they are benefitting from a proven technology. What the software is doing is from each market that we forecast for, such as Apple, we have identified 30 other markets and stocks that drive the price of Apple. Some of those might be other stocks in the technology arena, some might be stocks in other unrelated or seemingly unrelated industries. It could be currency prices, energy prices, interest rate fluctuations. All of those are factors that can drive the price of Apple. Our technology identifies the 30 factors that need to be considered and analyzed when forecasting for the price of Apple, and how they should be analyzed; in other words the waiting. It may be that the price of gold or the price of crude oil have a lot to do with the price of Apple and maybe the price of interest rates has less to do with it. All of that weighting is done behind the scenes for our customers using our technology. This is another patent we hold, the ability to identify which markets should be analyzed and how to properly weight those other markets so that our software can be as accurate as possible.

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CEOCFO: *Is everyone using your system?*

Mr. Mendelsohn: Over the years, our customer base has grown substantially. We have over 15,000 customers now. Many people who trade in the financial markets come through the process by reading a book and the book says you need to look at charts and they follow that conventional path. What is happening over time is that people are starting to realize that nine out of ten traders are not able to be consistently successful; that is a high failure rate. The reason why they are failing is not because of their lack of intelligence, but more to do with lack of tools and the lack of information to make the right decisions at the right time. Our software is becoming an attractive offering. We price our software in a way so that we dissuade the masses; we do not have hundreds of thousands of people contacting us, calling us every day to buy our software. We price it so that our software starts a \$3,000 and goes up to \$15,000. That right there takes out anybody who is not seriously trying to become a successful trader and investor; they are not going to spend \$3,000 on our software. If somebody has a 401k or an IRA account or they have \$10,000 or more, they want to protect that and they want it to grow. They contact us and we show them how our software works and how it can help them. My dad started the company in 1979, we had our first customer in 1983 and we have been growing substantially in terms of the number of people we bring on board each month and year. As the markets have become more global and as that concept of global economy has been discussed more on the news outlets, it is opening peoples' eyes to the fact that they need to have a global approach if they want to be successful in today's global markets.

CEOCFO: *How do you present the information?*

Mr. Mendelsohn: The information is generated each evening on our customers' computers. After somebody buys our software and installs the software on their computer, it takes about ten minutes each evening for the software to gather all the data it needs, do the analysis and then our customer is presented with a very clean-looking interface where they can look to see what the software is forecasting for the particular stocks where the customer has shown interest. They are looking at charts, which most traders are familiar. The difference is the indicators that are plotted on the charts are looking forward versus looking backwards. I can show anybody within about ten minutes exactly what to look for and how to make decisions based on the information they are seeing. The nice thing about it is that this is for the person who works fulltime or has a family or maybe they are retired and they do not want to become a person that has to sit in front of their computer all day long. This works with peoples' lifestyle and that is the whole point, to help people live the life they want to live.

CEOCFO: *Are there certain areas where you are able to forecast more accurately than others?*

Mr. Mendelsohn: We do not forecast for every stock that trades and that is because if we cannot forecast for a stock with at least 70% accuracy, then we do not include it in our package. Any stock that we forecast for has at least at a minimum, 70% accuracy rates although the average is are 86%. We do have some that are higher than 86% and some that are lower. We have customers who have written in to us or sent us videos telling us that they find that the accuracy is in the 90% range, even higher than what we published in our marketing materials. That is because they are combining more than one predictive indicator. In our software, we have a suite of different predictive indicators. There is one in particular that we measure; that is how we achieve the 86% rate. If you were to combine that one with others, you may trade less frequently but the quality of those trades from the precision of those predictions, will be even greater. For some of our customers they have experienced an even higher than 86% accuracy rate which is nothing short of phenomenal.

CEOCFO: *Let us say that a war started tomorrow or the recently tested North Korean missiles did damage, how does it all come into play?*

Mr. Mendelsohn: This is why our software is not 100% and never will be because there will always be events that I would call unforeseen and that is not something that we can forecast. The majority of events that move markets are other markets. By analyzing the relationships between markets, that allows us to accurately forecast and for the majority of the time be able to give our customers advance warning about trend changes that are likely to occur. If there is a rumor, a terrorist attack, some sort of news event that is just unpredictable, that is where the software could be wrong and that is why we will never be at 100%.

CEOCFO: *Do many of your customers take advantage of the information?*

Mr. Mendelsohn: We are not a brokerage firm so I do not get to see how successful people are and how much money they are making. The way that I can best gauge our customers' success and utilization of our product is the fact that a very large percentage of revenue each year is coming from existing customers coming back to buy more. For example, our most popular package is the six sector stock package, which gives our customer for \$4900 the ability to choose banking, healthcare, technology, transportation among others. If they start with six, they are making money and are excited about the software and they come back and say look I have done well with the six sectors I started with, I would like to add additional sectors. We have a total of 12 sectors in the stocks and we forecast for seven ETF sectors, 62 futures markets and about 40 different currency pairs. What happens a lot of times is a customer will start with a particular package, experience success with it and then come back and reinvest some of the profits to get even more market coverage so they can diversify and have more trading opportunities to profit from. A large part of our success is coming from existing customers who are satisfied coming back to get more.

CEOCFO: *How often do you review and perhaps tweak your software?*

Mr. Mendelsohn: That is happening constantly. We have an ongoing research and development effort, which is constantly monitoring markets using technology, which monitors market changes, trends and things that need to be adjusted or tweaked for increased performance or accuracy. Market conditions are constantly changing. We continue to research and develop the software so that our customers are constantly on the cutting edge of technology and have the best information available to them. Many companies will develop a tool or technology and spend a lot of money to develop it and then they will get to a point where they will say. "Let's close the book on that, it is developed and done so let's start marketing and selling it". What happens then is over time the quality of the information or the technology, which at one point in time may have been cutting-edge or state-of-the-art, no longer is. It is expensive to have an ongoing research and development effort, especially the type of people that we employ for this effort, but it is necessary and part of our commitment to our customers to ensure that they are always on the cutting-edge of technology. They have the best information possible because their hard-earned money is on the line.

CEOCFO: *Why choose Vantage Point?*

Mr. Mendelsohn: Vantage Point is easy to use. Even though what is happening under the hood is complex and would be humanely impossible for someone to replicate. It takes ten minutes in the evening and it is doing sophisticated mathematics and running algorithms that are beyond the average person's comprehension. The analysis that it is doing is the exact analysis that is needed in today's global economy. For anybody who has money that they have worked hard for and they want to protect and grow, you do not want to look for what is the cheapest. You want to look for what is the best, like our company that has almost 40 years of experience in this industry developing software for traders and investors. With Vantage Point having been available for over 24 years now, it has stood the test of time. It has only gotten better with time and we have been able to make it so that anybody could benefit from the software, as long as they can allocate ten minutes each evening and they will be armed with the best information possible. They will have a lot of confidence with every trade that they make and their chances of success are dramatically increased.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine



Market Technologies, LLC
For more information visit:
www.tradertech.com

Contact:
Lane J. Mendelsohn
813 973 0496
lanem@tradertech.com