



Barron's

The Electronic Investor

Shared Intelligence

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Ambitious regulators, analysts and financial journalists have a vested interest in spotting trouble at companies: A successful career depends on it. But individual shareholders can also serve as a kind of community-watch service, keeping an eye on Corporate America and discussing their findings with one another. A growing number of Websites -- many with new interactive features -- are giving investors the chance.

Among them is StockIM (www.stockim.com), which got under way in June. The market slice it covers -- small-caps -- needs transparency because penny-stock issuers aren't always subject to the same rigorous reporting requirements as larger companies and their shares usually aren't closely followed. This is a volatile, high-risk group. Even Global Penny Stocks (www.pennystock.com), which makes its money generating penny-stock picks, recommends that you restrict penny-stock trading to no more than 10%-12% of your portfolio.

StockIM has come out of the blocks at a good pace, even if it can't yet compete with better established smallcapcenter.com (www.smallcapcenter.com). Market headlines come from sources like CNN (www.cnn.com) and MarketWatch (www.marketwatch.com), a unit of Dow Jones, Barron's publisher. With these sources you can grab news and fundamentals on small-caps.

What sets this free site apart, though, is its StockIMChat service. You can exchange messages with "buddies" and either start or join existing chat rooms. Enter a symbol for a small-cap stock and a chat window opens, displaying any active, live conversation as well as quotes and news. To date, StockIM has only about 400 users, and we didn't discern a whole lot of activity in the tickers we entered. You can, however, look at archived messages for any ticker. While there are the typical "Hi, how are ya's," some more thoughtful interaction also seems to occur here. This is a potentially useful technology still trying to assemble its population.

TradingTheCharts.com (www.tradingthecharts.com) is a little further along. The charting forum opened its virtual doors January 3 with three members, and has grown to almost 1,300, primarily futures traders. The site consists of some busy forums and a not-so-busy (at least when we looked, though activity ebbs and flows during the trading day) chat room. (Forums are archived messages, chat is live.) There's much sharing of charts and general conversation about technical analysis and current market conditions.

Forums are divided into various categories, with subtopics, including Indexes (U.S. markets, economics and sentiment, among others); Cycles (including Delta phenomenon and Gann); Currencies and Interest Rates (covering the U.S. dollar and Treasury notes and bonds); and, oddly enough, Astrology (astro market analysis, moon cycles and astro education). OK, maybe not all the insights are necessarily worth sharing. For example, an astrology posting prior to the most recent run-up: "Anyone notice how, since the sun has been in Cancer (June 21), the market has spent much of its time going sideways, like how crabs move?"

Some of the TradingTheCharts.com forums -- particularly those covering Asian and European markets -- are pretty threadbare compared to U.S. market discussions. But, even the slimmest threads can have a couple hundred replies that spawn a few thousand views, making this a fairly active site.

The fee of \$50 per month seems reasonable for what you get, if you're an active futures trader or chartist: One-week free trial; no credit card needed. A few forums are available to non-subscribers.

Technical analysis successfully sparks online discussion at TradingTheCharts.com, but we ran into a blog this week that pushes communication in a whole new direction. Alpha Trends (alphatrends.blogspot.com) posts a daily video with voiceover that may explore a group of companies or a trend. Users can kick in their comments about the videos.

Blogmaster Brian Shannon, a full-time trader and self-taught technical analyst, illustrates his points with charts and graphs. He uses the technology well and his studies are interesting.

Sometimes Shannon sticks to text, like a recent posting on stocks that tend to move when there's news on stem-cell research. And sometimes he merely posts a chart with a caustic comment like, "Why I don't trade bulletin board stocks." It's all in the service of informing his site's shareholder community.

If you've worked with model portfolios, you know they're often classified into plain vanilla categories like "aggressive" or "conservative." ETF Guide (www.etfguide.com) adds a little pizzazz to the mix.

The site's six model portfolios, are bundled by their proximity to classes like Generation Growth ("high growth octane" ETF asset classes; up 19.79% in 2005), World Traveler (captures the growth of key international and emerging markets; up 21% in 2005), and Contrarian Fox (out of favor or undervalued; up 7.95% in 2005). ETF Guide's portfolios are constructed with the goal of "getting the right recipe of ETFs with each portfolio, not trying to predict the short term price performance of individual funds." Relevant charts, commentary, and transaction histories are posted for each.

The price for monitoring these portfolios ranges from \$14.99 per month for two portfolios to \$24.99 per month for all six, with a free 30-day trial. Check out the site's other features while you're there, including education and analysis.
