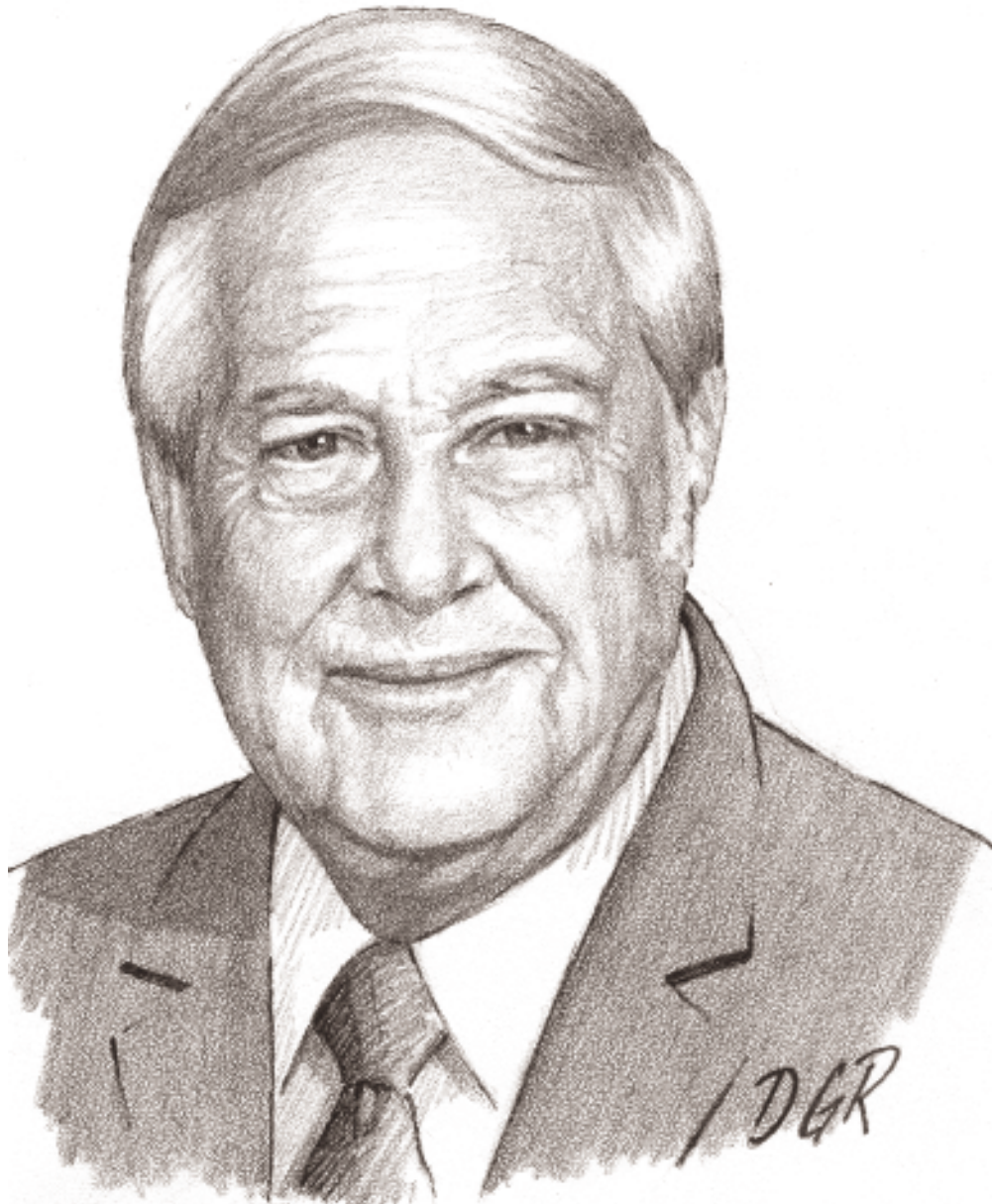


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# Timer Digest

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James Rohrbach

**Investment-Models.com**



Featured  
Advisor

# Investment-Models.com

**J**ames O. Rohrbach, R.I.A., Founder and President of Investment Models, Inc., says that he has been timing the stock market in real-time for more than 33 years. He created the RIX Rohrbach Index which translates the action of the stock market into a number (metric) representing the trend of the market. Jim informs us that he has been selling his weekly Market Timing service since 1978.

The RIX is a mathematical formula that provides precise numbers that are simple to understand. There is no guessing, hedging, predicting, or "what if" scenarios. Mr. Rohrbach (Jim) does not make any attempt to forecast the future course of the stock market. He simply identifies the changes in the trend and then follows the new trend.

So, how does the RIX Rohrbach Index work? Each day he converts the market action into a number. There is a NYSE RIX and a NASDAQ RIX. For the NYSE RIX, Jim needs to see a +12.0 to issue a Buy Signal and -12.0 to issue a Sell Signal. Once a Buy Signal is issued no action is taken until this RIX reaches -12.0. The RIX can go as high as it wants and it can go down to as low as -11.9, but a Sell Signal is not issued until -12.0. It's that simple and that precise.

It is very important not to anticipate a Signal because frequently the RIX will get very close to a Signal and reverse itself. Once a Signal is issued he is highly confident that it is a valid Signal and, more importantly, a valid trend reversal. Once a Sell Signal is issued, that Signal stays in effect until a Buy Signal is achieved, which occurs when the RIX gets a reading of +12.0.

The NASDAQ RIX works the same way, but due to volatility, the RIX only needs to reach +6.0 to get a Buy Signal and a -6.0 to get a Sell Signal.

If that sounds too simple to be effective, it was purposefully designed that way. Jim set out to develop a model of the stock market that was mathematical, simple, and accurate. Anything less than that will lead

to interpretation, guessing, and failure. Mr. Rohrbach says that RIX Index has avoided every Major Decline and he has participated in every Major Up Move in the stock market in the past 33 years. During this time, he says that 4 out of 5 Buy Signals have had positive results. It simply works because it works simply!

Mr. Rohrbach is a graduate of Lehigh University, a Registered Investment Advisor, and an Affiliate Member of the Market Technicians Association (MTA). He placed second in the voting for market timing "Guru Of The Year for 2001" on TheStreet.com. In November 2003, he spoke at the International Federation of Technical Analysts (IFTA) conference in Washington, DC, and was featured in the March issue of *Stocks and Commodities Magazine* in an article entitled, "The Best And The Brightest Go To Washington". The conference was attended by 175 delegates from 23 nations. On May 13, 2004, he will be speaking at the Las Vegas Money Show where the theme is "Buy-And-Hold Vs. Trading".

Jim spent 25 years in various management positions at A.T.&T. until the Bell System was broken up in 1984. He then decided to retire to spend full time doing what he really enjoys, which is helping investors solve what has been characterized as the most complex economic problem faced by man - Timing the Stock Market.

Most people want to know where the stock market is going in the future. They want to predict where and when the top or bottom of the move will end. They do not need to predict this at all. Jim says what they need is something that tells them when the trend is reversing up or down, and a signal that occurs very close to the top or bottom of the previous move. Investors do not need to know how long a trend will remain in force, since the RIX mathematical model will tell them when a change in trend has occurred. All that is left is to take action!

According to Mr. Rohrbach, people spend an inordinate amount of time trying to predict the future course of the stock market. He says, "That's a fool's game".

The same people can't predict what the market will do tomorrow. They fall into the trap of making up their minds where the market will go, and then look for indicators to support their subjective decision. When the market starts to go against them, they ignore the fact that the trend is changing. This leads them to hang onto their stocks because they just can't believe that their prediction is wrong. If they concentrated on the trend, they could see when it starts up or down and act on the trend reversal. When you are wrong you have to admit it and change your course of action. The RIX takes the emotion out of the equation—it is mathematical, precise, and unemotional.

Why did people lose a lot of money in the most recent Bear Market? There are a couple of major reasons:

1. They could not see the change in the trend and no one told them when it was time to get out.

2. When they saw their portfolios dropping, they would not admit to being wrong which would have forced them to take losses in order to preserve their dwindling capital.

The hardest lesson to learn is to take a loss. Everyone wants to wait until the price gets back to what they paid for it, and then sell. They can't admit that they were wrong, so they ride it out. With Mr. Rohrbach's RIX Index, staying in the market means staying with the trend.

**Timer Digest** has been following **Investment Models, Inc.** since August 2001, and it currently ranks number 9 for the Top Ten Consensus for the most recent 52 weeks (page 2). For more information call or write:

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