

Detaching Emotion

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A Hard Lesson to Learn

But First the Background

In the early 1980's as a Junior Electronics Engineer, I was very pleased to hear that Professor Bose¹ (of Bose loudspeaker² fame) was coming out to Australia to give a series of talks and one was put on by the then Institute of Radio and Electrical Engineers (IREE), now Engineers Australia³.

There was a lot of sense in Dr Bose in coming out to Australia as we had a very select line-up of extremely talented Electrical Engineers that had lead the world the way in speaker and amplifier design – but everybody in Australia knew the make-up of the Australian Cricket team.

This to me total lack of recognition of very eminent people in Australian engineering is an unforgivable sin, and our (news) media was and is to blame, but there is no way they would ever accept any responsibility.

The cold facts are that the news business on masse, sees itself as an entertainment and not as information, and because of this all news items have 'price tags' associated with them.

Gossip about professional sport serves to advertise promote and raise attendances at sporting venues – which are also associated with the same entertainment industries. This in turn raises the prices of advertising, making sporting gossip a very worthy 'price tag' in a news session.

Australia makes a swathe of technological developments, but literally none of these reach the news unless a story can be intertwined about a sporting professional. Maybe that statement is too sarcastic – but I don't think so! Every year or so I happen to unearth another brilliant Australian that our news blatantly avoids, our history snubs and our culture cringes further.

For example we had Prof. Neville Thiele⁴ the then Chief Engineer for the Australian Broadcasting Commission⁵ (and elder brother to Leonard Teal, the then well known Australian actor).

Not only had Neville re-engineered the specification for TV receivers to account for our then idiot parliamentians stupid by-laws⁶, Neville was also the first to really understand that speaker boxes act like High Pass filters and he developed the maths to make the engineering process a hit – not miss – affair. Every speaker manufacture in the world owes their profits to his brilliance.

¹ http://en.wikipedia.org/wiki/Amar_Bose

² <http://www.bose.com.au/milestones.html>

³ <http://www.ieaust.org.au/>

⁴ http://www.ieaust.org.au/about_us/colleges/itee/

⁵ <http://www.abc.net.au/>

⁶ <http://www.moore.org.au/senh/2010/20100109%20Digital%20Dividend%20Submisison.pdf> (Page 7)

Dr Eddie Benson⁷ analysed the piston speaker so well that virtually nothing was left to chance.

Dr Richard Small⁸ developed Neville Thieles' loudspeaker maths theory and made it practical.

Dr Ed Cherry⁹ did some wonderful work with feedback on amplifiers and this led into developing 'transient intermodulation testing'.

Dr Cyril Murray¹⁰ developed an amplifier that was exactly symmetrical and the distortion was hard to read – even without feedback!

We Australians clearly lead the world in Hi Fi engineering but the Australian public still purchased imported equipment!

At the time of Dr Bose's lecture I found this to be of tremendous interest to me as in the early 1970's I had engineered several highly efficient switched mode power supplies (like the power supplies now found in Personal Computers). Some time later I engineered a range of wideband amplifiers and later a large selection of rather complex passive filters, (with the assistance of some self-written computer code) all these were for communications purposes and these made your normal Hi-Fi amplifier look like child's play.

In my opinion, I thought that my learning in electronics and programming was damn good, and Dr Bose could take me to another level with his knowledge and engineering skills!

Now the Lecture

Dr Bose started his talk about acoustics and the work that he was doing to understand the special effects in a room.

He was using the 'click' from a spark plug (as this created a very clean sound source that would have been very easy to mathematically manipulate).

He then spoke about his career and over time how fast he learned everything, and he drew a graph showing learning on the 'y' axis and time on the 'x' axis.

The graph shot up like a rocket.

For several months he tried to analyse this spark 'tick' sound and for months he kept getting less than good results. How could it not work?

At the end of the semester a young college student started working with him on the project and in the first 10 minutes of seeing what was going on the young student pointed out the fatal flaw (in that the 'click' was mathematically an infinitely big spike that naturally overloaded the very first stage amplifier). There was no way that this would ever work!

⁷ <http://en.wikipedia.org/wiki/Thiele/Small>

⁸ http://www.diy-audio.narod.ru/litr/smalls_direct_radiators_loudspeaker.pdf

⁹ www.aes.org/journal/toc/downloads/Contents_JAES_V30-34.pdf

¹⁰ www.siliconchip.com.au/cms/A_108290/article.html

In the week or so later, Dr Bose in humility, totally redesigned the entire project to include an integrator in the first stage to prevent the overload in the first stage, and the maths programming reworked to account for this obvious error.

Dr Bose then continued with his graph on 'learning' and it came crashing down and then took a much lower and very conservative positive ramp.

It takes a big person to admit they actually made a fundamental mistake. Dr Bose was very big in my sights.

The Ramifications

On the way home I realised that my social and management skills were lacking, my skill in programming had plenty of room for development and that it was time for me to move on from where I had been very comfortable for some several years.

The speech given by Dr Bose had a profound impact on my future outlook, and it was time for me to spread my wings and start all over again.

I started down the line of learning what it takes to be a good supervisor, what it takes to be a good manager, bringing accountancy into the work that I was doing, looking at the economics of what was going on.

The "penny" dropped, and I realised that I had been working in an environment that was uneconomic and about to be closed – and it did, and that the areas around me were in for a shake-up on a national scale! At least now, I was ready.

Every once in a while somebody will tell a story that "draws the line in the sand". Dr Bose did it for me, and this was not the last.

His example of fallibility made me realise that we all are vulnerable and that we need to be aware, alert and openly accept criticism.

A New Direction in Life

In about 1997 I had purchased a technical analysis software application called OmniTrader. Having 'learned' the stock market I decided to put into place the technical tools that I had at my disposal, instead of using 'sound fundamental analysis'. I took a month or so out and learned how to make the [OmniTrader](#) software package work for me. After all, this was just a numbers game and I was good with numbers.

This was a very nice piece of software and it steered me out of the flat lining stocks to those that made in growth about 70% for me over one year. I had moved almost all my funds from dead stocks and those that were going nowhere to stocks that were all on the rise – nice one. The second year had begun and I was not looking back, and everything was flying.

The world was at my feet! These software programs were literally all that I needed as they pointed out for me which shares to be moving into and which ones to be out of. How easy is that!

In 12 months I had moved a stagnant portfolio into a rocket that had almost doubled in value and there was nothing that I could do that was wrong!

One thing is keeping the eyes on the ball, and the other is that the goalposts are constantly moving.

Many technical trading packages have been created over the years, but it takes a special software package to change the way that analysis is done.

The problem was that at that time, Blind Freddy could have done this as the stock market was on the rise in almost every area – so it was hard to miss.

I had worked my way through understanding as much about technical analysis as I could, but in all fairness, I really did not understand the finer points of moving averages, let alone the more esoteric indicators.

With this in mind, I started to fine tune the indicator optimisation and found out that I could get a much tighter agreement of the indicators – but that did not give me the good ones to choose, because my method lacked an overall top down strategy, and a ‘go with the flow’ strategy. In fact my strategy on strategy was virtually a big zero.

After some months of breaking even then sliding into a running loss lasting some months, it became apparent to me that most of the indicators used a moving average and then a combination of moving averages to get their indications.

To make it worse, almost all of them used the End of Day (EOD) close price as the rule to work from and after all this time I began to realise that many of these indicators are really the same thing, or a family of the same thing and that that was a main reason I was having a high degree of concurrence between so-called different indicators.

Looking back, I realised that MetaStock (which I did not buy) had within it, the ability to make your own analysis equations, and it apparently had a share filter program included. Now this was from memory and I was not sure, so I made a few enquiries on the Internet and found out that there was an extensive equation making area and a share filter before analysis.

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