George Lindsay and the Art of Technical Analysis

Reviewed by Matt Temple

Every so often there comes along someone willing to think outside of the box, someone that takes a different perspective. In Ed Carlson's newly published book, *George Lindsay and the Art of Technical Analysis*, we are reminded of one such man. George Lindsay was a profound market analyst that was on the brink of obscurity before Ed Carlson compiled what was left of Lindsay's old newsletters and what he could gather form the personal accounts of Lindsay's peers and family.

Carlson has four parts to the book and begins part one with a biographical chapter, describing Lindsay as an eccentric and private man. In the latter half of part one, Carlson includes a chapter on Lindsay's only published book, *The Other History,* based on technical analysis of rhythmic patterns in history. Although not integral to the main discourse, it is a quite interesting concept that provides color to the man and his methods. Before his work as a market technician George actually studied art and engineering, working as an engineer for McDonnell Douglas during WWII. It is uncertain where George developed his interest in markets, but by the early 1950's he had started his own advisory service and began distributing his weekly newsletter, *George Lindsay's Opinion.* These old newsletters are where the author gathered most of the content for the book. Lindsay spent much of his career studying historical market movements and indentifying pricing patterns. Carlson does a remarkable job of presenting a couple of Lindsay's best methods, the "Three Peaks and a Domed House" technique, and the "Lindsay Timing Model."

Lindsay's "Three Peaks and a Domed House" technique is discussed in part two, a four-chapter segment. In it, Carlson describes the method as a whole before delving into the particulars. The technique is used to time bull market peaks, although the pattern does not always develop. He goes on to walk the reader through identifying the components of the formation, through use of graphs and historical examples. In addition, Carlson includes answers to how one would handle irregularities in the formation of the pattern. He does a good job of conveying the technique and also includes Lindsay's "Tri-Day Method" of calculating the level of lows that can be expected in the subsequent bear market.

Part three covers another of George's methods called the "Lindsay Timing Model." The method is based on "counts" and can be applied to individual stocks, indices, and commodities futures. The model has three basic concepts that use short-term intervals, or counts of days, to indentify turning points in the market. The model relies heavily on the ability of the analyst to indentify key dates and ranges, which the author describes very clearly in the text supplemented with use of graphs and examples. These counts and key ranges can vary depending on the movements of the market. It is important to know how and when to use these techniques, and Carlson does a thorough job of describing them. This method is more focused on timing short-term movements in the market, as opposed to the methods discussed in the fourth and final part.

In part four, Carlson describes how Lindsay applied the concept of counts to longer duration intervals, or cycles, and in the last chapter he provides a case study conducted using interval counts during the 1960's. It is very helpful that Carlson includes the case study, as the methods are somewhat complex, even though he does a good job of carefully presenting them to the reader. He again describes in detail the different lengths of intervals and how and when you can apply them.

Carlson has done a fine job in both his research and presentation. It is obvious that these are not simplistic methods, so it is easy to appreciate the reader friendly style Carlson used. You can tell the author took time to learn and understand the methods, before attempting to write this book. That is why anyone involved or interested in the direction of markets should read *George Lindsay and the Art of Technical Analysis,* and learn these unique techniques.

Matt's Bio -

Matt Temple is a Graduate student, studying finance analysis, at the University of Wisconsin-Milwaukee. He is also a member of UWM's Investment Management Certificate Program and a CFA level I Candidate. He has currently an intern at Geneva Capital Management, and has interned previously at Cleary Gull. He prefers to focus his research on equities, commodities, and economics. Matt may be reached at matemple@uwm.edu.