



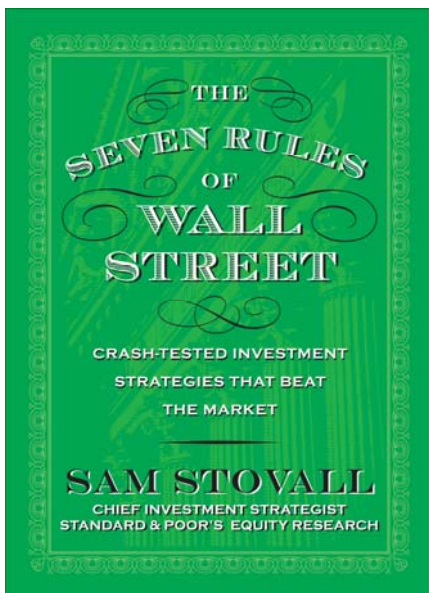
For Immediate Release

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# THE SEVEN RULES OF WALL STREET

## Crash-Tested Investment Strategies That Beat the Market



From October 9, 2007, through November 28, 2008, the S&P lost 52% of its value. Many investors are wondering if they should sell what little they have left and never invest in stocks again. **Sam Stovall, master investment strategist and expert on the stock market**, offers this advice: “Don’t be a Charlie Brown.” In other words, don’t be at the airport when your ship comes in – don’t miss the surge after the slump.

In **THE SEVEN RULES OF WALL STREET: Crash-Tested Investment Strategies That Beat the Market** (McGraw-Hill; March 2009; Hardcover: \$21.95) Stovall, chief investment strategist of Standard & Poor’s Equity Research, presents seven familiar sayings that not only convey enduring truths but also serve as superb investment strategies that can “beat the street.” Stovall subjects his chosen sayings to the facts of history and to his personal experience and complements his sharp insight with the results of detailed back-testing, as well as tables and charts drawing on decades of stock market data. **The book provides an abundance of wisdom in a few words – proving that investing books can be as entertaining as they are educating!**

Here’s why Stovall insists people need this book: 1) very few people can divine stock market bottoms (Sam’s not one of them), 2) the beginnings of new bull markets are usually fast and furious, recouping an average of one-third of the entire bear market loss in only 40 days and typically rising 46% in the first year alone, and 3) the rules in the book have frequently outpaced the market’s first-year advance with some rules beating the market by a more than 2-to-1 margin.

Stovall, who has been with S&P for 20 years and chairs the company’s Investment Policy Committee, offers these **“Seven Rules that Beat the Street”**:

- **Rule 1 – Let Your Winners Ride, but Cut Your Losers Short**  
Contrary to popular opinion, it’s been more rewarding to invest in those industries that recorded the best price performances over the past year, while avoiding those with the worst. In this case, “Buy Low, Sell High” doesn’t typically work in the short run!
- **Rule 2 – As Goes January, So Goes the Year**  
The first month of the year has been very accurate in forecasting the coming year’s price performance for equity markets, sectors, and industries. Find out how you can leverage this forecasting phenomenon.

- **Rule 3 – Sell in May and Then Go Away**  
Want to make money when others don't? The market and most sectors typically take a "price-appreciation vacation" during the summer months. Find out which sectors have traditionally seen the summer months as their "days in the sun."
- **Rule 4 – There's No Free Lunch on Wall Street (Oh Yeah, Who Says?)**  
When tech goes up, what goes down? By diversifying among sectors that zig when others zag, some investors have historically been able to get both a higher return as well as lower risk. Why shouldn't you?
- **Rule 5 – There's Always a Bull Market Someplace**  
Not all investors are like Fred Astaire on the dance floor. For some, it may be best to let the market take the lead. This rear-view mirror approach to investing has a time-tested track record for picking near-term winners. Ready to take a spin?
- **Rule 6 – Don't Get Mad – Get Even!**  
From 2000 to 2002, the S&P 500 fell 49%. By 2005, it was still off by more than 25%. How could you have invested in the S&P 500, yet avoided such long-lasting portfolio carnage? Get small-cap performance with large-cap stability.
- **Rule 7 – Don't Fight the Fed**  
The Federal Reserve controls the cost of cash. During periods of rising interest rates, there has traditionally been almost no place to hide. Yet when the Fed has begun cutting interest rates, the equity markets have usually soared. Will your portfolio be ready for the ride? Learn to identify which sectors are traditional leaders and laggards during these periods of interest-rate adjustments.



#### **ABOUT THE AUTHOR**

**Sam Stovall**, chief investment strategist of Standard & Poor's Equity Research, serves as chairman of the S&P Investment Policy Committee, where he focuses on market history and valuations. He is the author of *The Standard & Poor's Guide to Sector Investing* and "Stovall's Sector Watch," a column featured on [www.businessweek.com](http://www.businessweek.com).

**THE SEVEN RULES OF WALL STREET: Crash-Tested Investment Strategies That Beat the Market** by Sam Stovall; McGraw-Hill; March 2009; Hardcover: \$21.95; 176 pages; ISBN-10: 0-07-161517-2; ISBN-13: 978-0-07-161517-4.

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