

The Stock Market and the Media: Turn It on, But Tune It Out

This week's AAI **Weekly Digest** highlights these “must-read” AAI articles:



Deep Value Investing Has Not Gone Out of Style

One of the fundamental tenets of value investing, first outlined by Benjamin Graham in his seminal work “The Intelligent Investor” is the concept of margin of safety. Margin of safety simply refers to how much of a discount a security is selling for relative to its intrinsic (or true, underlying) value. The larger the margin of safety, the more limited the investor’s downside risk is. This article tests a stock screen based on Graham’s “deep value” selection approach and shows that deep value investing is still thriving.

Three Value-Investing Benchmarks

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Intrinsic value—the “true” value of a stock—can be thought of as the price an investor would be willing to pay to buy a stock that generates dividends at regular intervals. This article covers the valuation models espoused by John Burr Williams, Robert Shiller and John Bogle and how investors

can use them to assess the market's likelihood of gains.



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Many investors believe that keeping abreast of the news is one key to investment success. But Dick Davis believes one of the worst things that can happen to long-term investors is to be instantly and totally informed about their stocks. Although this article is nearly a decade old, its underlying principles are just as relevant today. In fact, in the age of social media, which was in its infancy in 2008, Dick Davis' comments may be even more important today.

Why Technical Analysis Matters



Technical analysis is the study of past price and volume data to try and forecast future price movements. One element of technical analysis is chart analysis, which can help investors make better decisions. This article outlines a five-step process to assist investors in taking a stock from an idea to a decision to buy or sell.

Our Member Question for this week is:

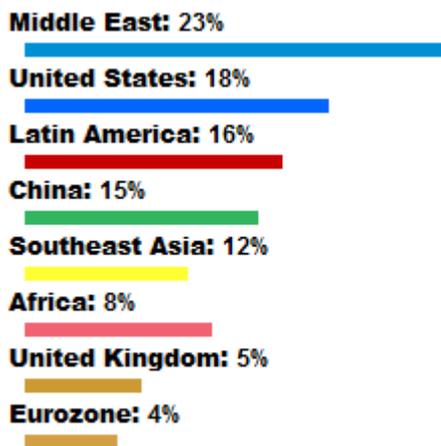
The Chicago Board Options Exchange's Volatility Index (VIX) climbed to its highest levels since November 8 last week. How worried are you about rising volatility in the stock market?

[Vote Now »](#)

Vote to answer this week's Special Question: *What steps, if any, do you take in regards to your investment portfolio during periods of high market volatility?*

Last Week's Results:

Which region holds the most investment risk over the next 12 months?



Poll results are as of 9 a.m. (Central) on Monday. 1,702 respondents.



[AAll Survey: Which Geographic Regions Hold the Greatest Investment Risk?](#)

Geographical diversification is the practice of diversifying an investment portfolio across different geographic regions in order to reduce the overall risk and improve returns. There is a good amount of debate about the importance of investing in different regions of the world instead of investing in

U.S. companies or just North America. Our weekly reader survey asked which geographic region holds the greatest investment risk over the next year. Additionally, our weekly special question asked how important is geographic diversification to our readers. See the results [here](#).



Find Stock Ideas That Match Your Investment Personality With AII's Stock Screens

The purpose of AII's Stock Screen area is to provide you with access to a wide range of stock strategies and investment approaches. For nearly 20 years AII has been developing, testing and tracking a variety of quantitative stock selection strategies to see what works and what doesn't work. We update our stock screens monthly, covering over 60 stock investment strategies as well as the companies that pass each screen. Not only do we provide you with the passing companies and select data on the passing companies, there are also detailed articles discussing the rationale behind each screen to help you understand each strategy.

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