



The Biz: Just Rule the Freakin` Markets, OK?

Hosted by Susan Lisovicz

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SUSAN LISOVICZ , CNNfn ANCHOR, THE BIZ: With markets selling off and the latest series of corporate scandals, many investors are downright worried. Our next guest, **Michael Parness**, a playwright turned stockbroker, has outlined what he calls the rules to making money in any market, bull or bear. His book is called "Rule the Freakin` Markets."

And joining us now, **Michael Parness**. Hi.

MICHAEL PARNNESS, AUTHOR, "RULE THE FREAKIN` MARKETS": Hi, how are you doing? And I`m not a stockbroker by the way.

LISOVICZ: But basically you are suggesting how to play the market, is that correct?

PARNNESS: Yes. We play the market up and down. We`re trend traders is what we are. But I hate that word broker. It`s ugly.

LISOVICZ: These days it has an especially bad connotation unfortunately. When I was reading the research for it, basically what you are suggesting is to time the markets, which analysts will tell you to never try to do. The pros can`t get it right, so why should an amateur get it right. Why do you suggest that?

PARNNESS: Because it`s the only way to make market in this market in particular. I think that people forgot that it`s called a stock market for a reason. The reason why it`s market by definition means you should be able to make money whether the market goes up or down. But now we just became a society of buy and hope. Buy and hold, buy and hope. And I think that there are always ways to make money within the markets, the rules in the market, and that`s .

LISOVICZ: So please show us as the market continues its spiral downward. How do you time the market? Right now some financial planners would say, look at a stock. Is it something you like? The management good? The product good? Strategy good? Get in on the low side. Is that what you are doing?

PARNNESS: No. I mean we`ve been shorting the market for a while. But I think that the object is not to time the market. It is to go with the market. Too many people try to time bottoms and tops. There no such thing as a bottom when we`re going down. The bottom is when we stop going down.

LISOVICZ: What would you do today? Dow down more than 200 points.

PARNNESS: Friday at the close, I`ll give you an example of a trend. We shorted eBay (URL: <http://www.ebay.com/>) at the close. Now eBay is vastly overvalued any ways, I think it`s worth about \$20 a share and will probably get there at some point. But also they were included in the S&P 500, so they ran up at the close of day as funds started to buy the stock because they had to track the index. So if you look at the chart of eBay into the close on Friday you`ll see it ran about three points, so we short it after the inclusion in the S&P, and .

LISOVICZ: And it`s down big time today. It`s down nearly \$2 today.

PARNES: Yes.

LISOVICZ: Just quickly tell us how you use the other side of your brain because you are still in the arts.

PARNES: I`m a filmmaker. The reason I kind of got into trading stocks, well, because my broker made me broke like a lot of other people and they are still making people broke, but my dream all along has been to make movies. And so .

LISOVICZ: And you are making one with Natasha Leon?

PARNES: And Eddie Furlong, Tim Blake Nelson. We`re shooting this summer.

LISOVICZ: We wish you the best of luck in Hollywood and Wall Street. "Rule the Freakin` Markets." Thanks for joining us.

PARNES: Thank you.

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