



Adviser Q&A

Gerald Appel: Timing The Market With ETFs

John Dobosz, 12.29.03, 3:50 PM ET

As a former psychoanalyst, **Gerald Appel** knows a thing or two about human psychological tendencies-- something very applicable to the investment management business he's been running for 30 years now. Appel and his son, Dr. **Marvin Appel** (an anesthesiologist and inventor of medical devices), publish [Gerald Appel's Systems & Forecasts](#) from their offices just outside of New York City in Great Neck on Long Island. They and their staff of 25 also manage money for clients.

At the core of the Appels' investment philosophy and strategy is momentum. They use exchange-traded funds and low-expense mutual funds as their investment vehicles, and their aim is to always be invested in funds that are in the top 10% in terms of relative strength. Since March, they've been invested in the **Nasdaq 100 Trust (amex: QQQ)**, but since December, the Nasdaq has fallen behind the Dow and the S&P 500 in terms of momentum. The Appels have shifted into larger-cap funds like the **Diamonds (amex: DIA)** and **Spyders (amex: SPY)**.

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In fact, in 1977, Gerald Appel devised the moving average convergence-divergence, or MACD, a popular technical indicator that determines the direction of a trend in an individual security or an entire index. It remains at the core of his analysis.

Recently, we went to visit the Appels at their Great Neck headquarters, where father and son discussed how they make their investments and told us which funds look good now. [Click below to watch the video.](#)



Gerald and Marvin Appel discuss how they time the market with ETFs.

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