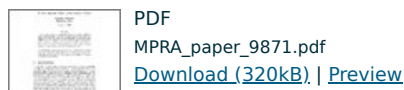


A Non-Random Walk down Canary Wharf

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Abstract

In this paper I perform a panel data analysis to evaluate whether financial technical indicators are able to predict stock market returns. By using a panel of 40 stocks taken from the Financial Times Stock Exchange (FTSE) observed in 2004, I test the ability of 75 amongst the most famous technical indicators used by traders to predict next-day returns. Surprisingly, results are robust in demonstrating that many of these are good predictors, supporting the validity of the technical analysis.

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