RIP Ian M.T. McAvity, CMT, CEO, Analyst, Raconteur and Friend to Many

"God must've needed a technical analyst to figure out what's going on in the world." - Larry Williams, a friend of Ian's on learning of his passing on March 16, 2016. Larry also noted,

> "To his credit Ian lived life to its fullest as an advisor, as a CEO, as a drinking buddy and traveler of the roads together Ian was always there alert having fun, making people around him enjoy just being there. He will be missed in board rooms a few bars, squash courts and the skiing slopes in Colorado."

It's impossible to describe Ian's life in a few words although Larry comes close. Ian's was a life well-lived as John Carder, CMT, President of Topline Investment Graphics, has written:

> Ian McAvity — Editor of DELIBERATIONS
>
> I first started reading Ian McAvity's newsletter, DELIBERATIONS on World Markets, in the late 1970s.
>
> 
>
> I think I saw one of his marvelous, hand-drawn charts in Richard Russell's Dow Theory Letters, and that led to my subscription. Ian's timely advice helped me to profitably navigate the gold and gold stock bull market of the 1970s.
>
> Perhaps more importantly, he was one of the few who were able to follow that performance with a timely call for a stock bull market in 1982. I'll never forget the interview with Louis Rukeyser on PBS' Wall $treet Week in 1982, in which Ian repeated his newsletter advice to "Buy the four Gs in the Dow" – General Electric, General Foods, General Motors and Goodyear Tire. His selection of those four was based on their "superior relative strength". At the time, few investors even recognized the term relative strength, much less understood how to use the tool. He explained that "Their summer lows were above their March lows, while the market made a lower low." That concise description of why these four stocks exhibited superior relative strength is typical of Ian's writings. He doesn't just tell you to "Keep It Simple", he practices it. Whenever I've strayed from that advice, I've paid the price in the market. It's hard to believe, given today's environment, but most investors didn't want to hear about blue chip stocks in 1982. I followed Ian's advice, and recall that Phillip Morris bought out General Foods shares for twice what I paid for them.
>
> When I was a total novice at technical analysis, I wrote Ian regarding his pioneering work with the Coppock Guide. Ian generously responded with copies of his worksheets and recommended that I read Edwards & Magee's *Technical Analysis of Stock Trends*. I had no idea what that was, but I ordered it, read it and loved it. Today it is considered one of the core texts in the study of technical analysis.

I finally met Ian at the Market Technicians Association Seminar at the Camelback Inn in Scottsdale Arizona, (1985?). I'm proud to call him a friend today. I couldn't begin to list all that I have learned from him about technical analysis, initially through his writings in DELIBERATIONS.

If I had to pick one concept that he taught me (and Ian, please forgive me if I don't state this as well as you would), it would probably be that "A market is a market is a market." It doesn't matter whether you're looking at a chart of Japanese stocks in the 1980s, or gold in the 1970s or US stocks in the 1920s. You're looking at a bubble. Buyers and sellers in any market are human, and have always been subject to the emotions of fear and greed. Their behavior, *as a crowd*, tends to look the same across both centuries and markets.

Recognizing behavior patterns like bubbles after the fact is easy.

A good technical analyst is more likely to recognize the behavior as it is happening.

There are two qualities of great technical analysts that I've identified over the years.

One is the ability to realize when to ignore certain indicators, *and when not to*. Many investors have lost fortunes thinking that "This time is different." A few have made fortunes when they realized that *it really was different this time*.

The other is the ability to admit that they're wrong, quickly and completely, and reverse their position.
Admitting a mistake, and reversing your position is difficult for anyone. To do it in print, to paying subscribers, is very tough on the ego. We've all seen newsletter writers cling stubbornly to a mistaken market opinion. While it may protect an analyst's delicate ego in the short run, it hurts the analysis and is of no value to subscribers.

Over the years, I've seen Ian do both, and watched in amazement. Don't misunderstand. Ian doesn't have a perfect record — no analyst with any significant track record has been perfect. Even after more than twenty years, when I read DELIBERATIONS, I expect to learn something. Often it's a chart study, sometimes it's an unusual interpretation, but it's never the conventional wisdom.

Ian McAvity — Athlete

During the 1960s Ian was a world-class squash champion. In 1969, he played on the doubles team that was Canadian National Doubles Champion and was ranked number one for several years.

One of his less widely known accomplishments was the role he played in helping to break down the South African apartheid (color barrier) policy in sports. US champion, Arthur Ashe had broken the barrier a few years earlier in Tennis.

As part of his retirement from amateur squash competition, Ian arranged to travel to South Africa with the Pakistani born North American professional champion, Sharif Khan, for a series of tournaments organized to demonstrate the breaking of Apartheid in squash in 1972, to enable the International Federation to hold the World Championship in South Africa the following year.

The tour was a great success, and South Africa hosted the World Championships the next year. Unfortunately, one month prior to that event, the Canadian Government learned that a Canadian team was planning to attend, and after many threats, the team was withdrawn at the last minute.

A Canadian enabled the event, but the Canadian government, and the Canadian Squash Association withdrew the team; prompting Ian to denounce the act (which got a lot more publicity in South Africa than in Canada), and he withdrew from any further involvement with the game, in protest of selling out an amateur sport to government coercion.

Ian is an avid golfer and an active expert skier, and he even managed to drag my sorry butt out onto the slopes after an eleven-year hiatus (thank you!).

Ian McAvity — Raconteur

One of the pleasures of reading DELIBERATIONS is Ian's unique view of the world. He's not afraid to pull his punches, both in his writing and speaking. Best of all, you find yourself laughing — and that means you'll remember what you're learning.

He has been the featured speaker at investment conferences, and technical analyst societies in Canada, the USA, Britain, France, Germany, Switzerland, Holland, Denmark and South Africa. When a conference organizer needs a speaker to ensure that the seats will be filled at the first presentation on a Saturday morning, Ian is typically their first choice. It's not only a valuable presentation, but a funny one that gets everyone's motor running.

Ian McAvity — Technical Analyst

The first section describes his abilities as a technical analyst. I'm going to mention a few specific achievements. By no means is this a comprehensive list.

Intermarket Analysis

Ian started writing DELIBERATIONS in 1972. From the beginning, it was a tutorial in intermarket analyis. That was before the term had even been coined. Ian has always felt that you handicapped yourself if you focused on just one market or even just one part of the world. He showed how big bull markets and big bear markets tended to be worldwide affairs, drawing Coppock Curves of at least a dozen of the world's stock markets in his chartbook, with all of them having the same general shape. He has always kept one eye on the currency chart, when examining any of the world's stock markets, emphasizing the effects of a depreciating currency on what may appear to be a rising market. In 1976, Barron's asked him to write an article based on his study of the relationship between the US and Canadian equity markets. Similarly, he covers the world's bond markets, overall commodity markets and of course, the precious metals markets.

Logarithmic Scaling

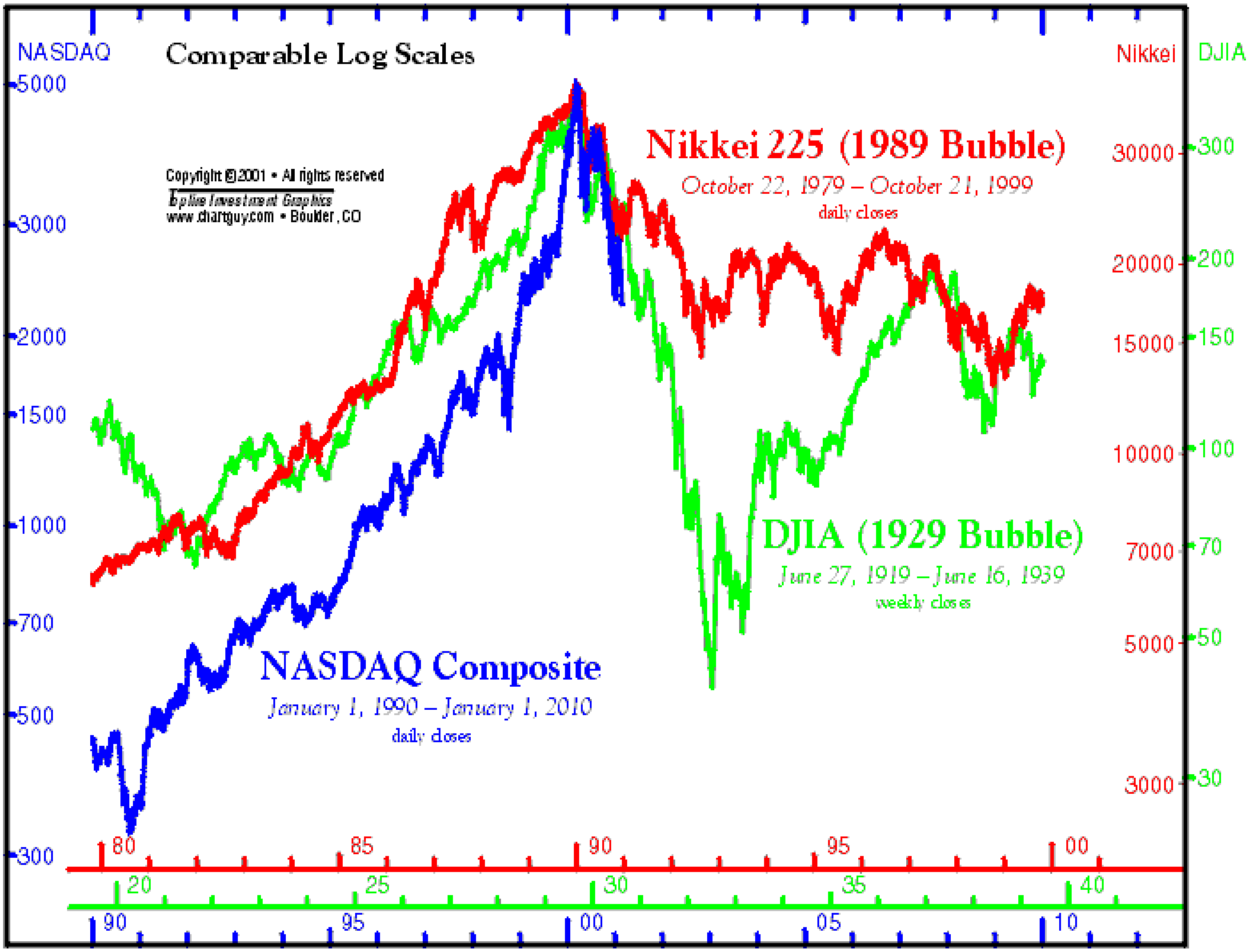
Ian has always championed the use of logarithmic scaling. He realized that percentage changes were what mattered, not point changes. Which should look bigger on a chart? An advance from 1,000 to 1,100 or and advance from 50 to 100? I'd much rather have an investment in the latter than the former.

In his hand-drawn charts, he would often draw several markets, on one sheet of semi-log paper. This meant that he was using the same logarithmic scaling on each series, so that a 50% advance in any of them, at any time, takes the same vertical distance. Today, almost all charting software includes the option of logarithmic price scales. When Ian started DELIBERATIONS in 1972, semi-log charts were a rarity in technical analysis.

Versus MA charts

Several years ago, I had the pleasure of working with Ian in developing a new chart study. I won't bore you with the details, but the study has turned out to be a very useful improvement on traditional momentum oscillators.

As an example of Ian's insights, John points to this chart:




John worked closely with Ian for many years and remembered him in simple terms,

"Ian could make me laugh on the worst days and inspired me to look at the world and markets from a different perspective."

Ian McAvity began writing his "Deliberations on World Markets" Newsletter since 1972 for a global readership. His letter was based on chart, technical and inter-market relationship analysis, a market historian's perspective, an old fashioned philosophic approach to money and outspoken free-market views on finance and geo-political events. His historical charts have won acclaim over the years, with frequent references to him as a "Chartist's chartist.

His career spanned 55 years as he was a fixture in the world of finance since 1961, as a banker, stockbroker, and independent advisor/entrepreneur since 1975. In the 1980's & 1990's he was a director of many junior mining & exploration companies.

He was a founding director/advisor of Central Fund of Canada, the NY/AMEX listed (CEF) closed end, $3.5

billion bullion entity holding 47 tonnes of gold and 2340 tonnes of physical silver. CEF is the original stock exchange traded bullion proxy since 1983, with all bullion held in Canada’s largest bank, in allocated and segregated safekeeping. He is also a trustee of Central Gold-Trust, (GTU-NY/AMEX) ($800 million, holding 19 tonnes of gold); Silver Bullion Trust (SBT.UN-TSX), and CEO of Duncan Park Holdings Corp, a junior explorer.

Most recently, Ian was President and CEO of Duncan Park Holdings Corporation. He joined the Corporation's Board in 2004 and held the position of President and Chief Executive Officer since August 2007. During his 11+ years with the Corporation Ian has made enormous contributions to its exploration programs in both Nevada, USA and Red Lake, Ontario, through his vast experience in the mining industry, and to its financial situation particularly through his raising of flow-through funds for exploration and the provision of directors' loans for working capital purposes.

Tom McClellan remembered something Ian said the first time they met, at an annual MTA conference in 1993 in San Antonio:

"When you came into this world, you had nothing. When you leave this world, you take nothing with you. So don't hate your broker... he's just doing God's work