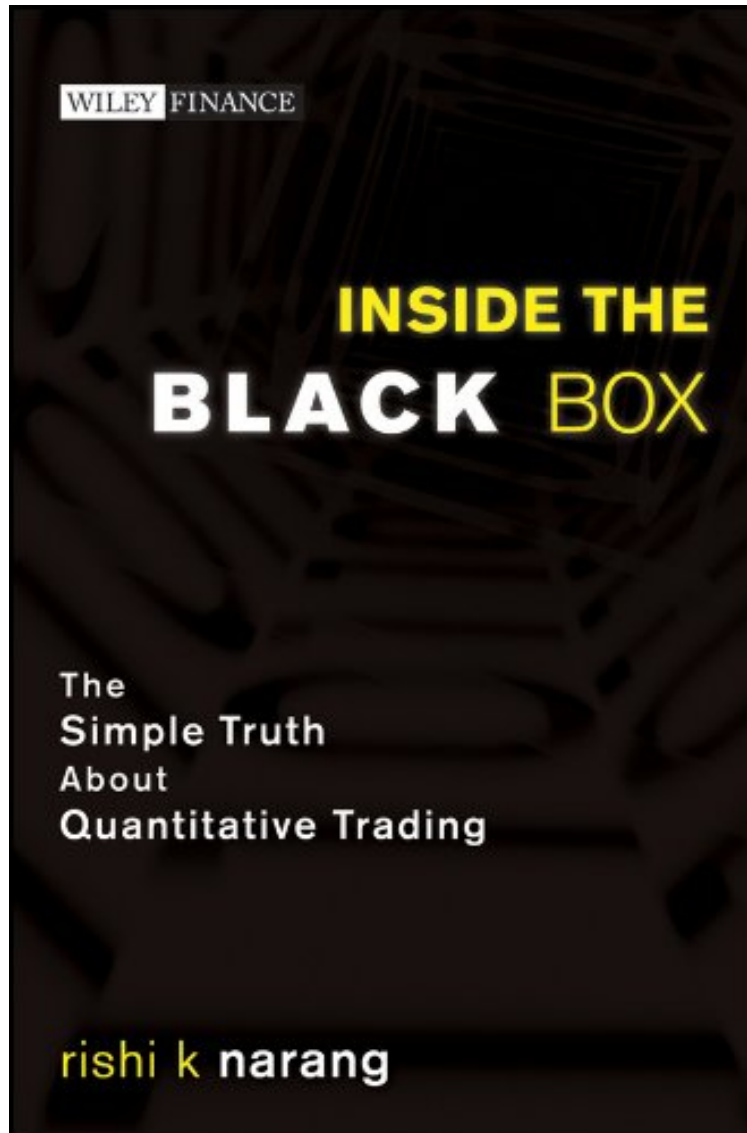


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## Inside the Black Box: The Simple Truth About Quantitative Trading (Wiley Finance)

*Rishi K. Narang*

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**Rishi K. Narang : Inside the Black Box: The Simple Truth About Quantitative Trading (Wiley Finance)** before purchasing it in order to gauge whether or not it would be worth my time, and all praised Inside the Black Box: The Simple Truth About Quantitative Trading (Wiley Finance):

1 of 2 people found the following review helpful. Everything you wanted to ask about Quant Trading but were too afraid to (think you could) know. By Putney Bridge Enterprises I have had the pleasure of listening to Rishi speak on two separate occasions. An intriguing presenter, he is forthright, pragmatically clear and compelling. He presents

topics in a matter-of-fact way demonstrating both the principle he is describing and backing up any conclusions with his obviously thorough research. "Inside the Black Box" is written in the manner of the presentations that I have witnessed. I could hear him speaking the written words in my mind. The book is a timeless description of the "Black Box" which Rishi demonstrates is a "Clear Box". The book starts with a great description of why Quant trading is important and what it is. The meat of the book is a guided tour through the generic structure of a quant traders "Black Box" which will be invaluable reference for anyone trying to trade as a Quant or wishing to understand them better. Rishi shows how there are a few fundamentals governing the practice; the "goodness" is in the variations on the themes and application and skill of the practitioner. He ends the book with sections important to investors: Risks; Criticisms, Evaluation and the Future. Similar to one of his speeches where he referred to the current regulators as "fascist" in their tendencies, the section addressing the criticisms is succinct and challenges the reader to realize there has been far too much ill-informed rumor, conjecture and innuendo in industry with Quants used as an easy target for many other issues in the market. The conclusion: There is no secret sauce, just an ever evolving recipe. Rishi provides you with a great design for a kitchen with the guidance and techniques to refine your culinary skills.

0 of 0 people found the following review helpful. fantastic overview  
By V Gokals  
Overview of the quirks involved in quantitative trading; a solid recommendation to all starters in this field into how the mind of quants process data, test ideas and implement them into fully automated trading boxes.

5 of 6 people found the following review helpful. What who gave this thing 5 stars? his friends, family?  
By Left Side  
I think I was being kind giving this ABC Elementary book 2 shining stars. I honestly think the 5 star reviews are fake. (family, friends, etc.) He talks about nothing, he took 200 pages to say what he could of said in 30/40 pages. Blah, blah, blah, if its too short, no one will buy it... This is a classic example of making a book longer so people think its worth buying. Save your money... I will sell you this book for \$1.

Inside The Black Box The Simple Truth About Quantitative Trading Rishi K Narang Praise for Inside the Black Box

"In Inside the Black Box: The Simple Truth About Quantitative Trading, Rishi Narang demystifies quantitative trading. His explanation and classification of alpha will enlighten even a seasoned veteran." ?Blair Hull, Founder, Hull Trading Matlock Trading "Rishi provides a comprehensive overview of quantitative investing that should prove useful both to those allocating money to quant strategies and those interested in becoming quants themselves. Rishi's experience as a well-respected quant fund of funds manager and his solid relationships with many practitioners provide ample useful material for his work." ?Peter Muller, Head of Process Driven Trading, Morgan Stanley "A very readable book bringing much needed insight into a subject matter that is not often covered. Provides a framework and guidance that should be valuable to both existing investors and those looking to invest in this area for the first time. Many quants should also benefit from reading this book." ?Steve Evans, Managing Director of Quantitative Trading, Tudor Investment Corporation "Without complex formulae, Narang, himself a leading practitioner, provides an insightful taxonomy of systematic trading strategies in liquid instruments and a framework for considering quantitative strategies within a portfolio. This guide enables an investor to cut through the hype and pretense of secrecy surrounding quantitative strategies." ?Ross Garon, Managing Director, Quantitative Strategies, S.A.C. Capital Advisors, L.P. "Inside the Black Box is a comprehensive, yet easy read. Rishi Narang provides a simple framework for understanding quantitative money management and proves that it is not a black box but rather a glass box for those inside." ?Jean-Pierre Aguilar, former founder and CEO, Capital Fund Management "This book is great for anyone who wants to understand quant trading, without digging in to the equations. It explains the subject in intuitive, economic terms." ?Steven Drobny, founder, Drobny Global Asset Management, and author, Inside the House of Money "Rishi Narang does an excellent job demystifying how quants work, in an accessible and fun read. This book should occupy a key spot on anyone's bookshelf who is interested in understanding how this ever increasing part of the investment universe actually operates." ?Matthew S. Rothman, PhD, Global Head of Quantitative Equity Strategies Barclays Capital "Inside the Black Box provides a comprehensive and intuitive introduction to "quant" strategies. It succinctly explains the building blocks of such strategies and how they fit together, while conveying the myriad possibilities and design details it takes to build a successful model driven investment strategy." ?Asriel Levin, PhD, Managing Member, Menta Capital, LLC

Excellent new book . . . demystif[ies] the world of quant investing, and does so in a way that should be intelligible to any thoughtful investor. . . admirably thorough . . . and highly readable throughout. The book has a logical structure, which gradually builds an ever more complete picture of what it is that quants do, how they do it, and what the issues really are that surround quant trading. Much more than a simple "beginner's guide" to quants, and it really gets interesting in the final third, where [the author] looks in some detail at the risks inherent in quant approaches and the criticisms of quant trading—and how to evaluate them. To find out more about how to evaluate quants, read this book.

AR Magazine  
In "Inside the Black Box," Rishi Narang makes the impossible seem possible: he takes the vastly misunderstood role of the quantitative trading strategy and makes it understandable to those with only the most tenuous working knowledge of global capital markets. How he does so is a sleight of hand no more complicated than patient, consistently eloquent writing, and easy-to-understand, basic

examples."mdash;Markets Media Online"The book, Inside the Black Box: The Simple Truth About Quantitative Trading, by Rishi Narang, is hands down the best introductory book I've read on the topic. Narang does a brilliant job of explaining (in simple English), how and why quantitative trading works. If you are looking for a primer on Quantitative Trading I strongly endorse and recommend this book."mdash;TradingMarkets.com

"In a new book on quantitative trading strategies, entitled "Inside the Black Box: The Simple Truth About Quantitative Trading," Rishi Narang, founding principal of Telesis Capital, seeks to explain with real-world examples and anecdotes what it is exactly that quants dohellip;The book focuses on a few major questions that Narang says are important to understanding the quant world. These ...From the Inside FlapQuantitative trading strategiesmdash;known to many as ldquo;black boxesrdquo;mdash;have gained a reputation of being difficult to explain and even harder to understand. While there is a certain level of complexity to this approach, with the right guidance, you can successfully overcome potential obstacles and begin to excel in this arena.

That'squo;s why expert fund manager Rishi Narang has created Inside the Black Box. In a straightforward, nontechnical stylemdash;supplemented by real-world examples and informative anecdotesmdash;this reliable resource takes you on a detailed tour through the black box. It skillfully sheds light upon the work that ldquo;quantsrdquo; do, lifting the veil of mystery around quantitative trading and allowing anyone interested in doing so to understand quants and their strategies.

Divided into three comprehensive parts, Insider the Black Box opens with an accessible introduction to the discipline of quantitative trading and quickly moves on to demonstrate that what many call a black box is in fact transparent, intuitively sensible, and readily understandable. Along the way, it also explains how quant strategies can fit into your portfolio and why they are so important.

Whether yoursquo;re an institutional investor or high-networth individual, the lessons learned here will help you gain an edge in today'squo;s turbulent market. Some of the tough questions answered throughout these pages include:How do quants capture alpha?What is the difference between theory-driven systems and data-mining strategies?How do quants model risk?What can be learned about investing in general from quantitative trading?And much more.

Given both the difficulty of the market environment over the past few years and the negativity surrounding hedge funds in general and quant funds in particular, there has never been a better time to become more familiar with what quantitative trading is really about. With the help of the framework found here, you can gain a firm understanding of quant strategies, discern which are more likely to succeed, and ascertain how to use specific strategies in a portfolio, to help improve the performance of your investment process.

From the Back CoverPraise forInside the Black Box

"Rishi provides a comprehensive overview of quantitative investing that should prove useful both to those allocating money to quant strategies and those interested in becoming quants themselves. Rishi's experience as a well-respected quant fund of funds manager and his solid relationships with many practitioners provide ample useful material for his work."mdash;Peter Muller, Head of Process Driven Trading, Morgan Stanley

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