A Random Walk Down Wall Street: Completely Revised and Updated Edition

The million-copy bestseller, now fully up-to-date and ready for post-dot-com investors.

Using the dot-com crash as an object lesson in how not to manage your portfolio, here is the best-selling, gimmick-free, irreverent, vastly informative guide to navigating the turbulence of the market and managing investments with confidence.

A Random Walk Down Wall Street is well established as a staple of the business shelf, the first book any investor should read before taking the plunge and starting a portfolio. With its life-cycle guide to investing, it matches the needs of investors at any age bracket. Burton G. Malkiel shows how to analyze the potential returns, not only for stocks and bonds but also for the full range of investment opportunities, from money market accounts and real estate investment trusts to insurance, home ownership, and tangible assets like gold and collectibles.

Whether you want to verse yourself in the ways of the market before talking to a broker or follow Malkiel's easy steps to managing your own portfolio, this book remains the best investing guide money can buy.
Burton G. Malkiel is the Chemical Bank Chairman's Professor of Economics Emeritus at Princeton University. He is a former member of the Council of Economic Advisers, dean of the Yale School of Management, and has served on the boards of several major corporations, including Vanguard and Prudential Financial. He is the chief investment officer of Wealthfront.The eternal truth of this updated investment classic, originally published in 1973, is simple: you can't beat the market. Well, technically, you can beat the market, but not profitably, because the transaction costs of your brilliant trading will eat up the extra returns. You can also beat the market by pure luck-but you can't deliberately beat the market, because you can't predict future stock prices. You can't predict them by divining Wall Street's crowd psychology; or by charting trends in stock prices; or by doing lots of research on companies' business prospects. You can't predict them from hemlines (though there's been "some evidence" for correlation between skirt length and market prices in the past, Malkiel poo-poos future possibilities) or Super Bowl winners (this, he says, makes "no sense"). In fact, according to the efficient market theory, which states that all knowable information about a stock's value is already reflected in its share price, you can't predict them at all. Malkiel, a Princeton economist and professional investor, backs it all up with statistics, charts and studies, and gives an entertaining review of the sorry history of market bubbles, panics and delusions of omniscience, from the Dutch tulip craze to the Beardstown Ladies. This edition looks at new wrinkles (it seems you can't beat the market by buying companies with ".com" in the name), and provides a lucid overview of novel investment vehicles. Standing by his notorious claim that "a blindfolded chimpanzee throwing darts" at the NYSE listings could pick stocks as well as the Wall Street pros, Malkiel advises investors to "buy and hold" a diversified portfolio heavy on index funds that passively mirror the market, which usually out-perform actively managed funds. His witty, acerbic style and persuasive arguments will delight readers but, alas, leave Wall Street unmoved.

Other Books

Far from Random, Since Burton Malkiel's seminal work A Random Walk Down Wall Street was published, the financial world has swallowed whole the idea that market movement is chaotic and random. In Far from Random, Richard Lehman uses behavior-based trend analysis to debunk Malkiel's random walk theory. Lehman demonstrates that the market has discernible trends that are foreseeable. By learning to spot these trends, investors and traders can predict market movement to boost returns in anything from equities to 401(k) accounts. Richard Lehman has been a financial professional for more than thirty years. He studied the first iterations of behavioral finance back in the 1970s as a financial marketer and has since worked in various facets of the financial industry. His early introduction to behavioral finance and the more recent introduction to trend analysis led him to this important discovery.

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