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Got a stock market question? Take it to the Max

By **DEBBIE ANDERS**

Lots of teenagers are wizards on Facebook, Google and Apple computers.

But investing in those companies? Using leverage for triple returns on the S&P 500 index or on volatility-based funds? Hmm, not so much.

Not unless you are Max Ganik, who, at 16, cites Facebook, Google and Apple among his favorite stocks, along with Bank of America, Morgan Stanley, Goldman Sachs, eBay and Macy's. Ganik, a junior at Edgemont High School, runs a blog about investing, is the co-founder of Edgemont's Economics Club and said he has taught himself everything from basic stock options to patterns and indicators and managing risk with "spreads" and "butterflies."

Ganik has enjoyed "playing" with all things Wall Street since he was around 7 years old. He has a monthly blog called TopStreetPicks.com and a Twitter account. The trajectory of the market is what interests him the most. "From all the research that I do, I would have to say that reading and interpreting charts and then projecting to where a stock will go



Max Ganik

is my favorite focus, which is also what I do best," said Ganik.

He likes analyzing company earnings reports, macroeconomic data and political events such as the debt ceiling debates in 2011 and 2013, and how those events influence the market. Ganik also interprets financial data about global markets. "I analyze international political events, particularly Europe, China and Japan, in addition to our domestic affairs," he said. He doesn't analyze bonds, which are generally low-risk, he said, "but I realize it is necessary

to gain a good understanding of bonds to make better predictions on the market direction."

Ganik got started following the markets when his mother, Dahlia — a web designer who does long-range investment planning and some day trading for herself — exposed him to the stock market. Soon, she said, "he went off on his own and became totally fluent," reading books, watching CNBC, subscribing to different financial blogs and following earnings reports on Wall Street. "Any time there was a discussion about business analysis or about finances he'd jump in or ask questions about it. Anytime someone would discuss anything financial, he would chime right in," Dahlia Ganik said. "He not only was interested, but he'd understand."

Dahlia said her son was always comfortable managing his own money and would buy his own computer games at a young age; his parents allowed him to have a credit card (in their name) to make purchases and donations to civic fundraisers in New Orleans, for example, or animal rights organizations.

It is legal to trade under the age of 18 if a minor has a custodial

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account. Using his parents' accounts, Ganik actively invests in several different stocks through trading options. "I direct my parents on the trades that should be done. Depending on the time of year (school year and summer time) I do day-trading and long-term trading," he said. He described some of his options trading as "risky," and said he is "not at liberty" to share information about how much he has profited from his investments.

A patient of Ganik's father, Ron, who is a dentist, recently introduced Max to traders on the floor of the New York Stock Exchange, and, his mother said, Max "jumped at the chance. It made him feel good that he could communicate with professionals."

Most parents think their child is exceptional, but a former investment banker in Edgemont, Susan Wolfert, said Ganik is, in fact, well-versed in the areas that he blogs about, that his use of technical vocabulary is correct and that he understands that many factors, including political issues, affect economic markets.

Michelle Merlini, the Economic Club's adviser, said she has not seen much of Max, who launched the club last year with another faculty adviser, but that the Econ club members "are pretty independent."

She said, "The older classmen share their suggestions at meetings. Outside of that, students work on stockmarketgame.org," a trading and investing simulation website.

When Ganik is not investing, he enjoys hanging out with friends, playing varsity baseball, watching sports, exercising, driving and volunteering with his dog Zak, who is training as a therapy dog.

He is enrolled in several AP history courses at Edgemont, "in order to learn about different eras," he said. "Understanding how economics evolved over the centuries helps me understand current economic and political affairs and market swings. Key examples are the U.S. presidential elections, the debt ceiling challenges and the European debt crisis in 2011."

Ganik said the biggest misconception that young people have is that they think they needn't learn about the market and don't always realize how the current fiscal and world affairs and world history affect what happens in the market. "Everything is interrelated. By gaining an understanding of such events, you can prepare for the future. A person can learn about the long-term importance of money and how to best handle their money responsibly," he said.

It is no surprise that Ganik will major in finance and economics in college and would like to work

for an investment bank or a hedge fund, either trading stocks and/or derivatives or analyzing stocks and the stock market environment. His "ultimate professional goal in life" is to run his own hedge fund or have a senior position at a major investment bank.

When asked why he is drawn to the world of investing, Max told the Inquirer, "I would like to deliver the financial returns for clients so that they can better enjoy their lives and not have to worry about money so much. Today, we constantly hear sad stories of how middle class families and retired people struggle to make ends meet, causing them to worry about their financial future. I hope that with my knowledge and expertise, I can help these families have the financial security that they deserve."

Max's mother, Dahlia, is proud of her son. "How many 14-year-olds understand the options markets, which is one of the most complicated?" she asked. But for now, she said, it is important that people understand that Max cannot offer professional advice. "He's not of age where he can do anything except provide an exchange of ideas and thoughts," although he will keep advising his parents on short-term investments. Said Dahlia, "He's been right more than I have."