

CFA® Exam Tips – LEVEL III

Study Tips

Capital Market Expectation #2



Challenges in Forecasting

1. Bias in Analysts' Methods:

- Data-mining bias
- Time-period bias

2. Analysts' Six Psychological Biases:

- i. Anchoring bias
- ii. Status quo bias
- iii. Confirmation bias
- iv. Overconfidence bias
- v. Prudence bias
- vi. Availability bias



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