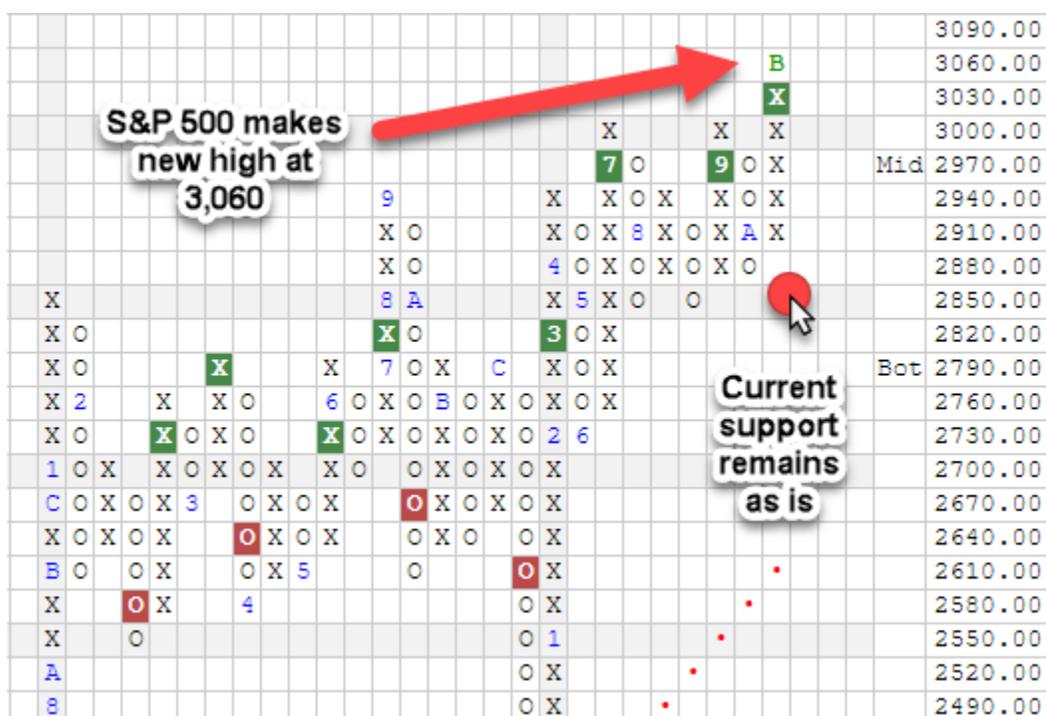


The Breakout

Last week we saw the US S&P 500 definitively breakout to the upside despite seeing some questionable earnings from a number of industrial companies during earnings season. Many pundits were talking about an earnings recession and an industrial recession and there was certainly truth in those prognostications. **However, the US stock market and many more global stock markets ignored these headwinds and moved to the upside** suggesting the future may still have some growth. We will have to wait and see.



In the month of October, our primary Indicator, the Bullish Percent for the NYSE (BPNYSE) that measures the percentage of NYSE stocks on a Point & Figure buy signal made a higher low as it reversed up from the 42% level and now is looking to move north beyond 52% which was the July high for this indicator. **If we start making some higher highs and higher lows in this indicator beyond the 50% level then a bullish development is likely to continue.**

Please call or email me any questions.

Point & Figure Charts and stock market data provided by Nasdaq Dorsey Wright

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