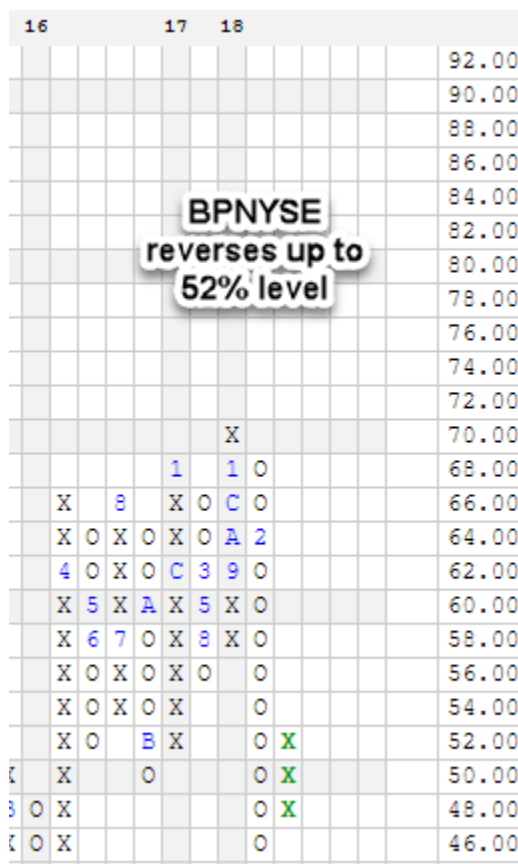


A Pause that Refreshes?

As we discussed earlier this month, it was a very quick reversal down in the BPNYSE from the 70% level to 46% in a matter of a couple of weeks. **Within a week we see a reversal back up above the 50% level for the BPNYSE.** So we now have 52% of the stocks on the NYSE on a P&F buy signal with the current direction heading north. **The move up into X's suggests an offensive posture** and we will have to wait and see if we can move back towards that 70% level again or not.

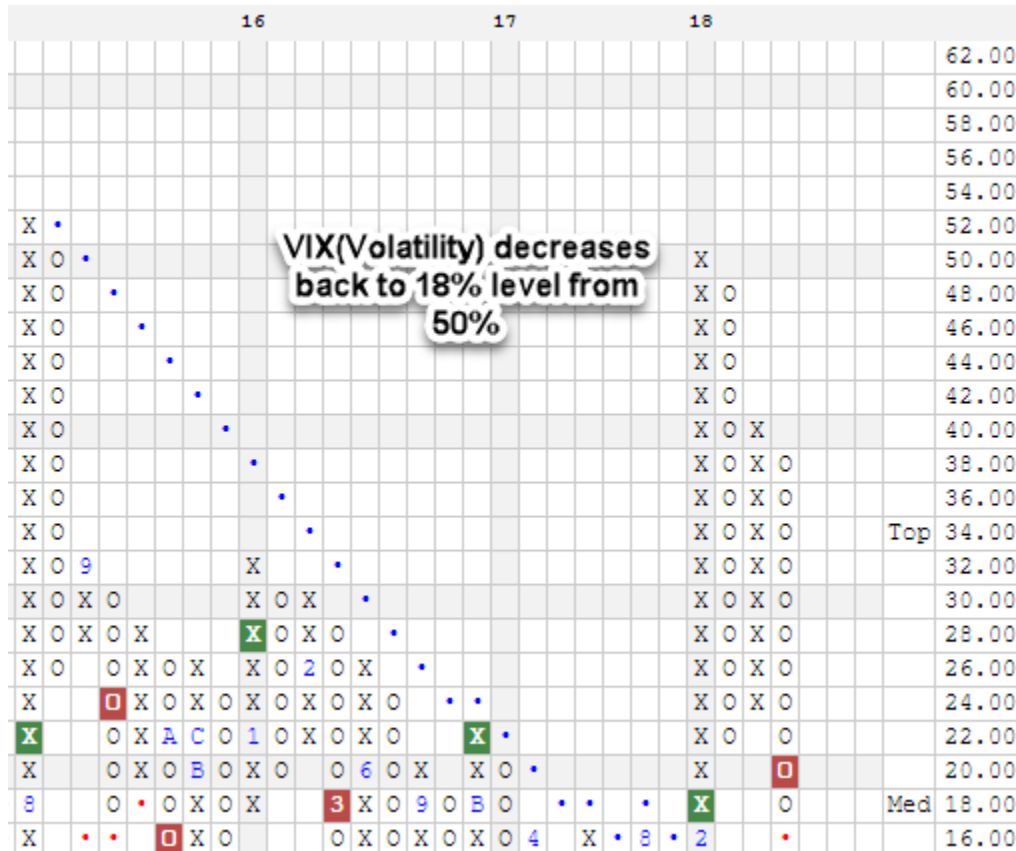


The longer term Positive Trend indicator for the NYSE – PTNYSE – did not reverse down with this regular correction although it came within 1%. The last reversal of this indicator was just prior to the US Presidential election in 2016. It remains elevated well above the 50% level.

16	17								
									94.00
									92.00
									90.00
									88.00
									86.00
									84.00
									82.00
									80.00
									78.00
									76.00
									74.00
									72.00
									70.00
									68.00
									66.00
									64.00
									62.00
									60.00
									58.00
									56.00
									54.00
									52.00
									50.00

**PTNYSE
remains
at 68%
level**

We did see a spike up in the volatility index or the VIX to a level not seen since August 2015. It is currently back on a sell signal – a lower low in O’s – at the 18% level. In August 2015, when the VIX last had a comparable spike, we did witness a move back up in January 2016 – but to a lower high. We will continue to monitor it’s movement.



Throughout the back and forth exercise of the last few weeks, **we reviewed the movement of the relative strength of the 6 major asset classes to see who is winning the long term game of supply and demand within price movement.** We notice that US equities remain in the top spot where they have been for 18 months or so followed by International equities that have continued to gain prominence. We also see Commodities continue to gain leadership and remain in 3rd spot. Fixed Income has lost some ground in it's 4th position while cash remains as is in level number 5. So although we had some volatility, **the various asset classes continue to suggest an overweight in equities.** We will continue to monitor the strength of equities and see if volatility quickly returns or was the recent correction simply a pause that refreshes in a longer term uptrend.

Please call or email me any questions.

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

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