

TRIGGER\$

Economic & Technical Analysis for the Active Trader
www.triggers.ca



SEPTEMBER /
OCTOBER 2012
Vol.II, Issue #9
\$19.95

www.GordonTLong.com

STALL SPEED *Ready to Roll?*

DRIVER\$: Dangerous Divergences

Williams %R

Traders Resources

TRIGGER\$ at the Movies

Consumer Confidence
HK Profit Warnings & US Market Vol.
Inflation Risk
VIX

Current Location: Inflation Adjusted
Participation Index
S&P 500 PE Ratio
Q3 EPS Guidance
Economic Recovery Leaders

S&P Monthly; Gann Analysis;
Boundary Conditions;
S&P Daily Intermediate View;
Fractal Update; Key Dates;
Market Drivers

Copper & Silver, Gold
Commodity Index
EUR/JPY (Weekly, Daily)
\$USD
EUR/USD

Gordon T Long
Market Research & Analytics

TRIGGER\$

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Welcome

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Welcome

PREVIEW EDITION

Welcome to **TRIGGER\$!** September/October 2012

VOL.II, ISSUE #9

Looks like it is going to be an interesting Fall! Gordon's Cover Story and Drivers article this month look at the market indicators that are warning us of a potential collapse ahead!

This months Mentor takes a look at the Williams %R and makes some observations that may aid in your market assessment and trade timing.

Media Matrix takes a little R&R this month from anything "heavy" and offers up some selections for movies about trading and the markets.

Our feature article, although concise, leaves you with lots to explore as we suggests some traders to follow and sites to visit. Some traders resources for your consideration.

Our Need to Know TA this months shows how the current pattern has developed and gives arguments for a pullback. The latest down from the markets may only be the start of a larger correction! We explain however, why we still are looking for one more up! Intermediate and Long-Term Targets are given.

The rest of our sections are here as usual for your due diligence. They give some food for thought, as they are clearly painting a picture that cannot be ignored.

Thank-you for your interest!

Always glad to hear form our readers, so please don't be shy!

Good Trading
GoldenPhi

TRIGGER\$ MEDIA PUBLICATIONS Inc.

For all inquiries, comments and contact please feel free to email us at:

goldenphi@triggers.ca

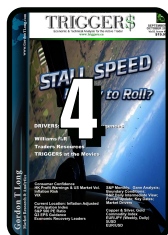
Main contributor : Gordon T. Long Market Research & Analytics
Publisher & Editor : GoldenPhi
Analytical Summaries: GoldenPhi

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PREVIEW EDITION



STALL SPEED *Ready to Roll?*

Cover Story



THE ALL SEEING EYE

On Market & Economic Indicators

Current Location: Inflation Adjusted
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Economic Recovery Leaders



NEED TO KNOW Technical Analysis

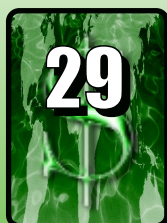
S&P Monthly; Gann Analysis;
Boundary Conditions;
S&P Daily Intermediate View;
Fractal Update; Key Dates;
Market Drivers



THE VAULT

Currencies & Metals

Copper & Silver, Gold
Commodity Index
EUR/JPY (Weekly, Daily)
\$USD, EUR/USD



DRIVERS

Dangerous
Divergences



RISK

Assessment

Consumer Confidence
HK Profit Warnings & US Market Vol.
Inflation Risk
VIX



MEDIA MATRIX & General Reality

TRIGGERS\$
at the Movies



TRADERS MENTOR

Technical Analysis &
Trading Strategy Education

Williams %R



OPEN FORUMS

Letters to the Editor
Readers Comments
Discussions

Corresepondance,
A Note to Subscribers

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FEATURED ARTICLE

21 Traders Resources

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TECHNI- FUNDAMENTALISM

TRIGGER\$ publications combine both Technical Analysis and Fundamental Analysis together offering unique (and often correct) perspectives on the Global Markets. The 'backbone' of this research is done by "Gordon T. Long, Market Research & Analytics" which is subscribed to by Professional Managers, Private Funds, Traders and Analysts worldwide. Every month "Market Research & Analytics" publishes three reports totalling more than 380 pages of detailed Technical Analysis and in depth Fundamentals. If you don't find our publication detailed enough, we recommend you consider theirs in addition to this one.

For the rest of us, TRIGGER\$ offers a 'distilled' version of the 380 pages in a readable format for use in your daily due diligence. Read and understand what the professionals are reading without having to be a Professional Analyst or Technician.

Successfully navigating today's markets requires information from a broad variety of sources. Triggers examines it all. From Macro Geo Political to daily events; yearly cycles to break out points on a minute chart: we look at and analyze as much of the information as possible, pulling out the relevant and giving you what you need to know to make the right decisions on a daily basis.

An initial or 'beginning' publication occurs every month, both in a printable pdf as well as online. From there, the online version is updated daily with current events, charts, news and any relevant information pertaining to trading. The completed version of the publication isn't actually done until the last day of updates – which occurs right up until the publication of the next issue.

As well as the Traditional Methods commonly used, "Market Research & Analytics" has developed "proprietary analytics" for both Technical and Fundamental Analysis and has designed a methodology to combine the two whereby the synthesis delivers a truly unique and forward thinking analysis that gives cutting edge insight.

"Techni-Fundamentalism"



PREVIEW EDITION



The expectations of 'UNLIMITED QE ∞ ' and 'UNCAPPED OMT' monetary intervention, and the associated liquidity injections being pumped into the veins of an artificially "alive" market corpse, are keeping speculator hopes high.

Investors have left the market. Speculators and Gamblers however are now nervous about the odds. That is because the high frequency traders, deep pools and algo programs are clearly in charge.

As remaining market speculators and gamblers are acutely aware, those now in charge can change their minds and positions in literally less than a millisecond. A flash crash of unprecedented proportions is keeping those still in the markets up a night as they nervously scalp the equity rally for a few more precious points.

The canaries in the coal mine have stopped singing and it is time to quickly move to the exits while there is still time. There is time, but it is becoming ever more precious as the signs are now all around us.

When the most reliable of all contrary indicators - the Barron's front page - publishes such a strong endorsement of the strength of the current Bull Market (right), it may be time to step up the scramble towards the exits.

Stall Speed

The markets are at stall speed. For those that might have experienced that terrifying moment when a plane stalls, they must be feeling a sense of déjà vu at this moment. They will recall how everything gets eerily quiet as the plane levitates, like Willie Coyote going over a cliff, just prior to the fall. Suddenly the plane's nose will drop between your legs and below your feet.



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METHODOLOGY

TRIGGER\$, in collaboration with "Gordon T. Long - Market Research & Analytics", have their own unique approach to Techni-Fundamental Analysis. The material found in TRIGGER\$ are the conclusions of a multi-perspective methodology boiled down to its final essence. This methodology includes the following analytical approach:

Time Frame	Duration	Approach	Key Tools
short - term	less than 90 days	Technical Analysis	Elliott Wave Principal, WD Gann, JD Hurst, Bradley Model, Proprietary Mandelbrot Fractal Gen.
intermediate	12 months	Risk Analysis	Global-Macro Analysis Tipping Points - Pivots
longer term	18 months +	Fundamental Analysis	Financial Metrics

The Global-Macro Analysis which is so prevalent in our articles and on our Tipping Points site, plays the critical role of bridging our highly analytic Technical Analysis with our detailed Fundamental Analysis.

We have found that in the short term the markets are driven by emotion and sentiment. In the longer term, they are driven by financial fundamentals. As Warren Buffett is often quoted as saying: "In the short term the market is a slot machine but in the long term it is a weighing machine." We have found that the transition shows a lagging correlation between changes in the Global Macro, followed by Corporate Earnings, then followed by the sell side analyst community estimates.

If you are looking for more detail than is provided in TRIGGER\$, consider looking at our primary inspiration: "Gordon T. Long Research & Analytics". We do our best to summarize this information and deliver it in an easy to read format. This by its very nature doesn't allow us to include all the very detailed analysis that takes place in order to deliver us its conclusions.

All information and conclusions delivered in TRIGGER\$ articles are a product of the methodology outlined above.

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PREVIEW EDITION

THE ALL SEEING EYE

On Market & Economic Indicators

Current Location: Inflation Adjusted
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Current Location: Inflation Adjusted

The "Real" (Inflation-Adjusted) Mega-Bears

The Dow Crash of 1929 and Great Depression

The Nikkei 225 Collapse in 1989

and Today's S&P 500 Since the 2000 Peak

dshort.com

September 8, 2012

(click for source)



This shows us that the markets topped in 2000 and the current lift from 2009 is likely just about over.



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NEED TO KNOW Technical Analysis

S&P Monthly; Gann Analysis - Near Term;
Boundary Conditions;
S&P Daily Intermediate View;
Fractal Update; Key Dates; Market drivers

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PREVIEW EDITION

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Key points to watch on this chart:

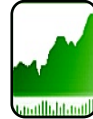
1. It must be pointed out that the chart above is a MONTHLY chart.
2. We should expect to touch the upper Bollinger on a 12 monthly moving average basis before the INTERMEDIATE / LONG TERM top is in.
3. This approximates late fall/ early 2013
4. This approximates [REDACTED] on the S&P 500
5. There is a possibility with a geo-political event and global central bank actions for a 'throw-over' into the [REDACTED] range. We consider this a medium probability.
6. The RIGHT SHOULDER formation will be more about TIME than further price action.



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GANN Analysis - Near Term

PREVIEW EDITION

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We have been watching this analysis / perspective for a long while now. Although it has been following along quite nicely, we will have to see what the effect of more QE's and the like have on the market as we get closer to the top of the ellipse and channel.

The pull-back we have been getting in the last week may be the start of the C-D we have been waiting for.

Although the top projected at E is technically sound, "loose money" has a tendency to skew reality. The effects of further actions have been less and less, and we can expect this to continue... even so, it is difficult to say how much of a throw-over it may or may not cause. It's doubtful the impacts will be enough to start a new impulse up to take the market in to new heights, but ultimately who knows? Watch your triggers and follow what the market does.

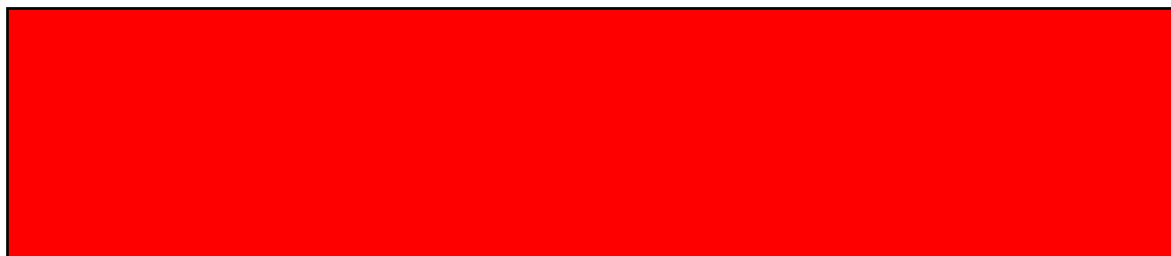
IT IS TIME TO TAKE RISK-OFF > Net Neutral
(Further movement has too high a RISK to merit being LONG)

SHORT TERM - [REDACTED] INTERMEDIATE TERM - S&P 500 [REDACTED]
LONG TERM - S&P 500 ~ [REDACTED] (if further Central Bank Liquidity Programs are enacted due to a Geo-Political event or Monetary Crisis develops.)

Boundary Conditions

PREVIEW EDITION

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S&P - Intermediate Term View

PREVIEW EDITION

Daily

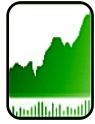
SUBSCRIBERS ONLY

The Daily chart above is zoomed out a little to give some perspective on where we see some significant support / resistances coming from.

You will note the High Probability Target (highlighted in green) sits where we have a convergence of several significant support / resistance trend lines. The highlighted grey bar reflects a previous market high, and we can see several places where the market respected it as support or resistance since. Two thick black trend lines also have prior significance.

In order to get to this target however, several channel and Fib supports need to be broken through. The market currently sits at the first "test" of the current move down. We can see a little bit of consolidation or pullback has occurred near the blue channel – this is to be expected – now we need to see it break through these. Immediately below the blue channel we see a light blue s/r. When these have been moved through, the probabilities of our HPTZ\$ being reached increase dramatically and we can see that there appears to be some open space before we get to the target zone.

An alternate HPTZ\$ can be seen should the market find support and bounce.



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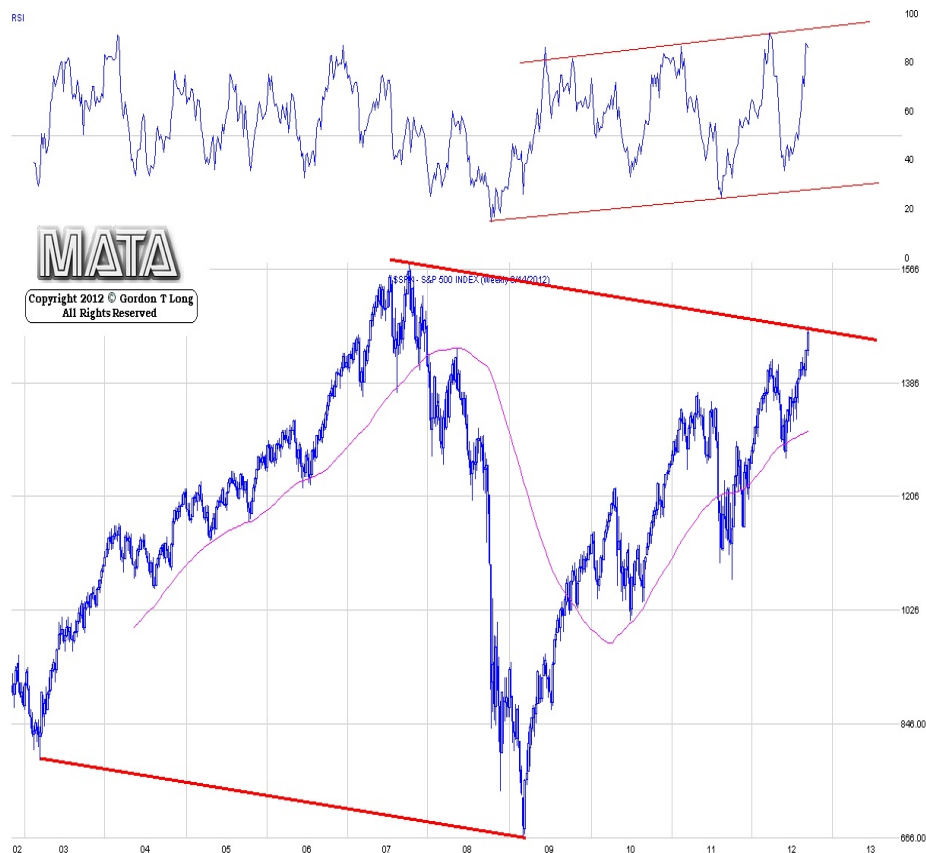


PREVIEW EDITION



Fractal Update

The chart above we have shown previously. To the right you can see the updated chart. At this point we are expecting one more pullback and lift to the top channel.



Key Days To Watch

Sept.30th
Oct. 3
Oct. 8 - 26th
Oct.25th

Full Moon
Phi Mate Turn Date - Major
Q3 Earnings Season
Phi Turn Date - Minor

Market Drivers (Macro)

The current Market Drivers are show to the right.

They are shown in order of importance, top down, and are what we believe to be currently driving market movements.

Note that the SPX is the tail on the dog. As shown on the graph, a move in the US\$ will currently cause an opposite reaction in the SPX.

Please note that these relationships are not 'tick for tick' but show a general relationship between markets.

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PREVIEW EDITION

TRADERS RESOURCES

If you have ever done an internet search for information pertaining to trading or investing, you will quickly find that there is more information available than you could ever hope to read. As a newcomer looking for information on getting started, or a veteran exploring for more trading ideas, looking online can be frustrating.

With so many to choose from, and anyone with electricity being able to spout their opinion, who do you listen to? What sites are worth your time to explore?

The following is by no means a complete list. They are some suggestions for you to consider, see if they have anything to offer for you. They are included in the list because they have a fair sized following and have been around for a little while.

Traders to Follow

Learning by example or through someone else's experiences can be beneficial. The follow people are known traders who are offering advice and services to grow from their experiences as a trader.

Ashraf Laidi <http://www.ashraflaidi.com/>

Ashraf Laidi is Chief Global Strategist at City Index / FX Solutions, founder of Intermarket Strategy Ltd. and author of "Currency Trading & Intermarket Analysis". At City Index / FX Solutions, Ashraf focuses on foreign exchange and global macro developments pertaining to central bank policies, sovereign debt and intermarket dynamics (commodities, equity indices & global bond yields).

TraderMike / StocksToGo <http://www.tradermike.net/> <http://www.stocktradingtogo.com/>

Since 2004 TraderMike.net has been the #1 spot for reading high quality, to the point daily market recaps. The site has been visited by more than 1.5 million visitors over its lifetime. Coupled with TraderMike's readership, StockTradingToGo today boasts over 15,000 RSS Subscribers making it one of the most followed stock blogs on the web.

Brian Shannon: Alphatrends.net <http://www.alphatrends.net/>

Brian Shannon is a full time trader (with 20 years of experience), educator and author of the highly regarded book Technical Analysis Using Multiple Timeframes

Mike Jackson <http://twitter.com/bondscoop>

Bond trader for over a quarter century, now analyzing markets and the economy

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Traders Resources (cont.)

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Sites to Explore

These places usually have some good articles for your consideration. Market mechanics, economics... a wide variety of information and commentary.

The Market Oracle <http://www.marketoracle.co.uk/>

John Rubino www.dollarcollapse.com

FOREXPROS <http://www.forexpros.com/>

SafeHaven <http://www.safehaven.com/>

GoldSeek <http://commentary.goldseek.com/>

24h Gold <http://www.24hgold.com>

Charles Hugh Smith: Of Two Minds <http://www.oftwominds.com/blog.html>

Gordon T Long Market Research www.gordontlong.com

You can find literally thousands of sites to explore for information. The few sites listed above offer places to start.

END**GoldenPhi**

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INTER-ISSUE UPDATES SERVICES

All Inter-Issue Updates analysis include:

MATA DRIVERS
current market driver

TRIGGERS
market Technical Triggers:
specific analytical tool and price level

TARGETS
market Technical targets:
High Probability Target Zones

PLAN 2
S&P 500

Plan 2 is included with a subscription to our website.

**TUES & THURS
MORNINGS**

PLAN 3
Currencies & FOREX

Plan 3 is an additional service for those looking for more TA on currencies and FOREX related markets.

**WED & FRI
MORNINGS**

PLAN 4
Commodities + VIX

Plan 4 is an additional service for those looking for more TA in the Commodities market and VIX.

**TUES & THURS
MORNINGS**

HPTZ
High Probability Target Zones

90%
Accuracy

As a matter of record, our published HPTZ\$ have over a 90% accuracy performance. TRIGGER\$ Technical Method of identifying HPTZ\$ is proven daily in our updates.



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THE VAULT

Currencies & Metals

Copper & Silver, Gold
Commodity Index
EUR/JPY (Weekly, Daily)
\$USD
EUR/USD

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COPPER & SILVER

PREVIEW EDITION

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1. Dr Copper (in the middle chart) has been steadily weakening since last winter (2011). It signaled, and is now being supported by PMI indicators, that global economies across the board are slowing significantly. This month however it has begun to rise. We suspect this has more to do with inflation pressures associated with central bank monetary policies (ECB=OMT, Fed=QE3, China etc)

2. The fact we had seen no industrial production turn-up in commodities, despite massive global central bank liquidity injections, Zero Interest Rate (ZIRP) policies and fiscal stimulus we felt previously should be seen as a major global economic concern. The central bankers must have agreed and have brought massive monetary policy stimulus to bear.

3. Silver (top) as both a precious metal and industrial meal (electronics) along with Aluminum (bottom) are additionally supporting the fact that global economies are slowing.

a. We appear to be have been testing a long term support trend line in both instances.

b. We have decisively broken out of a long term consolidation pattern (see Silver chart next page).
[We additionally inserted Gold this month to show its breakout and how inflationary monetary policy is impacting commodity pricing]



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SILVER **DAILY**

PREVIEW EDITION

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GOLD **WEEKLY**

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Our Weekly Updates show a more detailed view of Gold. We follow this on a Daily & Hourly bases, updating 2x a week.

Since July we have made 26 High Probability Target Zone forecasts for Gold, and have missed on only 2. These forecasts are a matter of published record for our subscribers.



COMMODITY INDEX

PREVIEW EDITION

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The overall Commodities complex appears to be putting in an "Expanded Flat" Correction / Consolidation pattern.

What this chart shows us is:

- **CHANNEL BREAK:** We have broken to the downside a long term upward channel (an unsustainable RATE). This suggests minimally and Intermediate term consolidation attempt.
- **INFLATION EXPECTATIONS:** The central Banks primary reason for temporarily holding further liquidity injections was to get commodities down and to 'disarm' inflation expectations. It is only with contained inflation expectations (as represented by commodities) that Central Bankers could be assured that further liquidity boosts would not spook the bond market.
- Overall Global economic conditions were weakening at such a pace that central bankers this month could no longer wait.
- Strength in commodities is no more about monetary inflation concerns than demand/supply.



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EUR:JPY WEEKLY

PREVIEW EDITION**SUBSCRIBERS ONLY**

EUR:JPY DAILY

The market has been lifting as expected. The pullback to -4- is almost complete, with a little more yet to go as of Fri afternoon, Sept.28th.

More lift is expected, and as we note above, is more do to with weakening Yen than strength in the Euro.

This is one of the markets we follow in our Weekly Updates. As of July, we have made 34 High Probability Target Zone calls (for the EUR/JPY) and have only missed on 1. These forecasts are a matter of published record for our subscribers.

SUBSCRIBERS ONLY



\$USD

PREVIEW EDITION

Our Weekly Updates show a more detailed view of the \$USD. We follow this on a Daily & Hourly bases, updating 2x a week.

Since July we have made 33 High Probability Target Zone forecasts, and have missed on only 4. These forecasts are a matter of published record for our subscribers.

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Our Global Macro Tipping Points (GMTP) service has been indicating the following outlook:

- The events in Europe precipitated a temporary but Intermediate term flight to safety. The US Dollar and US Treasuries have been the recipients of this flight to safety as the US financial markets were seen to be a safe haven RELATIVE to other options. These Global Macro developments have temporarily halted what was an ongoing, long term weakening in the US dollar.
- As we wrote as early as last November, any PERCEIVED SOLUTIONS to the European Sovereign Debt Crisis, even if they are of the 'kick the can down the road' variety policies, would result in the US dollar weakening. A weakening dollar meant it took more US dollars to buy the same S&P basket of stocks and hence stocks denominated in US dollars would rise. Conversely as the EU Summit attempts were found to be wanting, the Euro continued to weaken, the dollar strengthened and US equities normally fell.
- Though the European situation continues to worsen as Spain and Italian yields are well over 7% and Spreads against German Bunds are well north of 5%. Draghi's OMT or SMP 2 has been countered by the Fed's QE[∞] (QE to Infinity). The Markets can therefore be expected to now resume pressures on the US\$, especially in light of the looming unresolved "Fiscal Cliff".

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EUR:USD
DAILY

PREVIEW EDITION

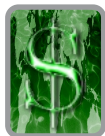
Another market followed in our updates.
 30 HPTZ\$ forecasted, 1 miss.

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EU-EURO SITUATIONAL ANALYSIS:

- o The present strategy in the EU is a "Political Union" and to change the treaty accord to put EU "teeth" into countries having to take stronger actions to bring their debt within EU targets. There is no solution given on how the EU does this other than austerity, which almost assures economic weakness and possible collapse going forward. Expect increasing broad based social unrest.
- o The hidden and real reason for this is to change the mandate of the European Central Bank (ECB) to allow it to become the "lender of last resort". This is an euphemism for 'allowed to print money'. The mandate of the ECB is different than the US Federal Reserve and the hidden agenda is to change this.
- o As we predicted in previous reports, and is now showing signs of coming to fruition, we expect Spain / Portugal & Italy to soon launch the next and more serious round of the EU crisis. Keep your eye on France and other peripheral nations such as Cyprus, the Netherlands. The fact Poland has deferred Eurozone entry is very telling.
- o The only solution for the EU is the ECB monetizing money for funding bailouts. Draghi began this process this month with OMT or SMT2 which is OPEN ended. Support in the German counts and by Merkel suggest the Euro should strengthen somewhat in the near term.

The Euro -US Dollar Cross is confirming this with its recent breakthrough of the descending (red colored) channel we have been in most of 2012. (see breakout above)



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PREVIEW EDITION



DRIVERS
MATA / GMTP

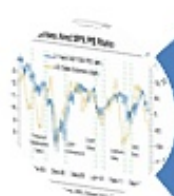
Dangerous Divergences

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Driver\$: Dangerous Divergences

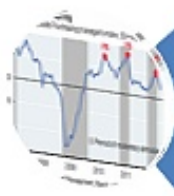
Our Macro Analytic Driver\$ are signaling Dangerous Divergences and merit careful attention. We highlight (in red) just a few from this month's 33 page outline of the seven key driver\$ shown to the right.

The 33pg. document is posted to the Driver\$ section of the subscribers web page.



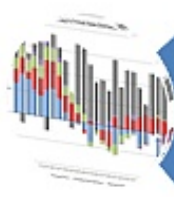
CITIGROUP'S G10 Macro Surprise Index

The DEGREE to which Analysts have mistakenly held a consensus view



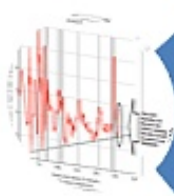
MARKIT'S Cumulative Global PMI

Signaling DEGREE of De-acceleration



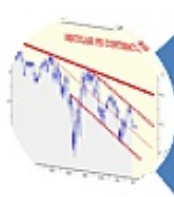
BLOOMBERG'S Financial Tightening Index

DEGREE to which Financial Tightening is occurring



FEDERAL RESERVE'S Sequential Non-Revolving Credit

DEGREE of US Consumer Consumption Credit



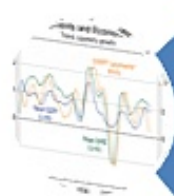
IBES's Relative Global PE Ratio

Relative DEGREE of PE Compression



CONSENSUS EARNINGS ESTIMATES

DEGREE of Adjustment



GLOBAL FOOD PRICE INDEX

RATE of Food Price Increases



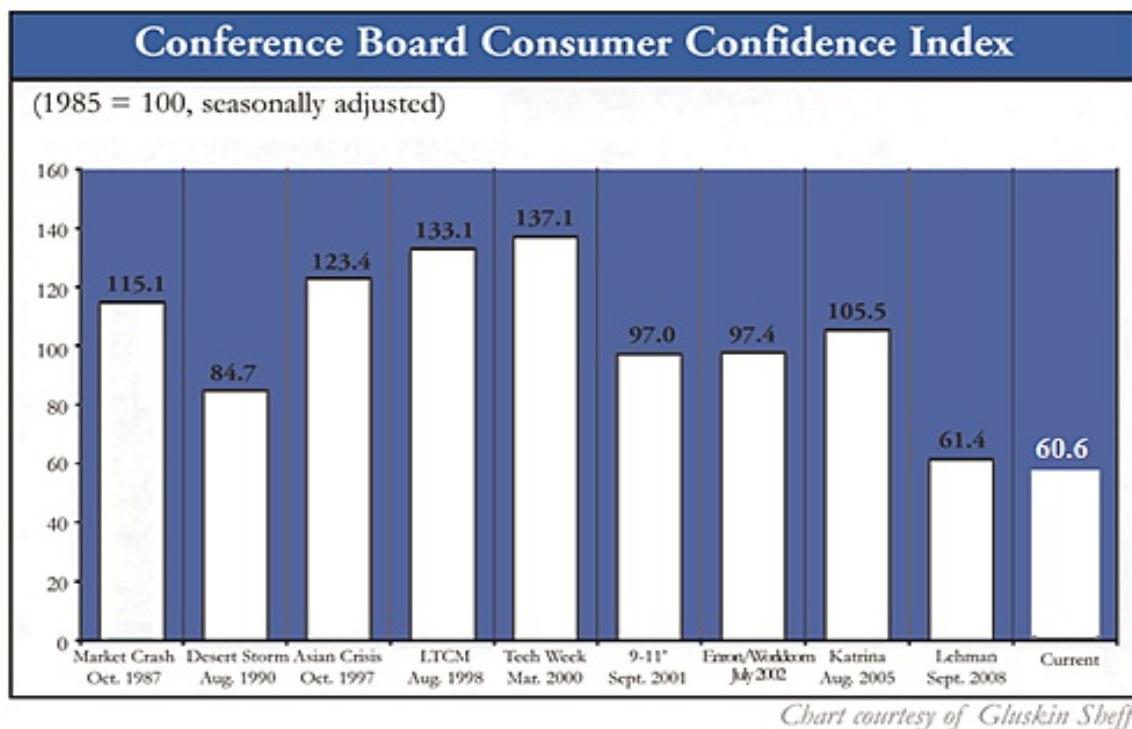
Risk Assessment

Consumer Confidence
HK Profit Warnings & US Market Volume
Inflation Risk
VIX

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PREVIEW EDITION

Consumer Confidence



[HUGE MISS: CONSUMER CONFIDENCE PLUNGES TO 60.6](#) *Business Insider*

Consumer confidence missed big in August falling to 60.6.

The reading is the lowest since November 2011. Meanwhile, July's reading was revised down to 65.4. "Consumers were more apprehensive about business and employment prospects, but more optimistic about their financial prospects despite rising inflation expectations," according to Lynn Franco, Director of Economic Indicators at The Conference Board.

"Consumers' assessment of current conditions was virtually unchanged, suggesting no significant pickup or deterioration in the pace of growth."

But the number is still above 60, showing the report wasn't a complete disaster. Here are some highlights from the report:

- The percent saying business conditions are "good" climbed to 15.2 percent, from 13.7 percent.
- The percent saying business conditions are "bad" was unchanged at 34.4 percent.
- The percent saying jobs are "plentiful" fell to 7 percent, from 7.8 percent.
- The percent saying jobs are "hard to get" eased to 40.7 percent from 41 percent.
- The percent of consumers expecting business conditions to improve over the next six months fell to 16.5 percent, from 19 percent.
- The percent jobs to increase in the months ahead declined to 15.4 percent from 17.6 percent.
- The percent expecting fewer jobs climbed to 23.4 percent from 20.6 percent.

MEDIA MATRIX & General Reality

TRIGGER\$ at the Movies

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PREVIEW EDITION



TRIGGER\$ at the Movies

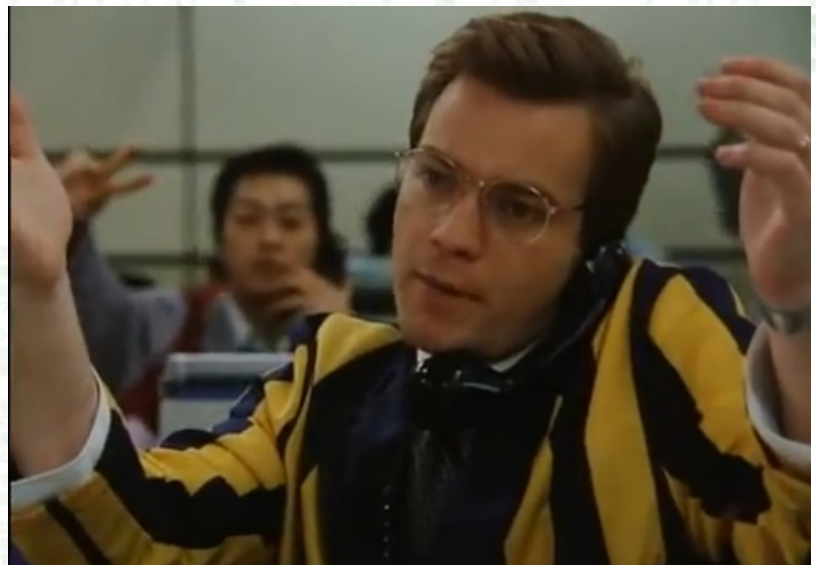
Do you like the markets and trading? Do you like movies? How about movies about the markets and trading? The movie Wall Street may come to mind, and here we offer up a few more for your consideration. Enjoy!

(click on video images to go to the movie and watch online)

Rogue Trader

The true story of Nick Leeson, an employee of Barings Bank who after a successful spell working for the firm's office in Indonesia is sent to Singapore as General Manager of the Trading Floor on the SIMEX exchange. The movie follows Leeson's rise as he soon becomes one of Barings' key traders. However, everything isn't as it appears — through the 88888 error account, Nick is hiding huge losses as he gambles away Baring's money with little more than the bat of an eyelid from the powers-that-be back in London.

Eventually the losses mount up to well over £800 million.



Floored

A world that's more riot than profession, the trading floors of Chicago are a place where gambling your family's mortgage is all in a day's work. Now, when markets are unhinged, FLOORED offers a unique window to this lesser-known world of finance. Traders may not have degrees, but they've got guts, and penchant for excess. But like many aspects of our economy, technology is changing their business, and these eccentric pit denizens aren't the type to take kindly to new tricks.

Computerized trading may take the emotion out of the job, but it may also take these old-timers out- they are dinosaurs in a young man's game.

At a time when millions have lost fortunes in the fickle stock market and fear abounds about the faltering financial system, FLOORED is a gripping, honest look behind the curtain of the trading floor that few have ever seen.



(cont.)

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OUR GOAL is to be one of many sources of information, part of your due diligence as you navigate the world markets. We endeavor to offer unique perspectives and insights to be considered that hopefully expand the world around you and add value to your experiences. We believe that information and knowledge, combined with varying perspectives, are the most powerful tools we can ever possess. TRIGGER\$ aims at assisting in the forging of these tools. The reader acknowledges that any use of the tools obtained from this publication are done so of their own volition and risk.

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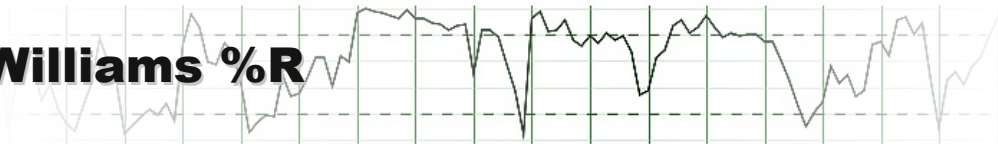
Technical Analysis &
Trading Strategy Education

Williams %R

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Williams %R



There are many different indicators you can choose from to aid in your assessment of the markets. The Williams %R is one that I have found to be successful and use as part of the TRIGGER\$ methodology.

While this discussion will be focused on the W%R, the general techniques and methods used can be applied across them all. It's no different than using standard technical analysis methods across various charts and instruments. The tools are applicable regardless of the market.

The first two methods are common practice and you can find an abundant of information online about them and their use. They are useful, and part of the methodology, so we will briefly summarize the techniques.

The remaining methods come from untold hours of observing and using the indicator. I'll share some of my observations and you can look for them yourself the next time you are staring at your charts.

Divergence

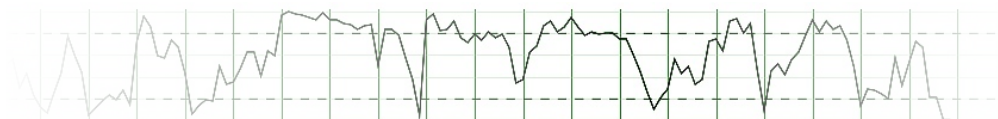
This occurs when the direction or slope of the indicator is opposite to that of the price/time graph. Usually the p/t graph will eventually follow the indicator. As we show in the example chart on the next page, it can take some time to develop, however the general pull on the market should eventually be to follow the indicator.

[Quoted from StockCharts.com - ChartSchool:](#)

Developed by Larry Williams, Williams %R is a momentum indicator that is the inverse of the Fast Stochastic Oscillator. Also referred to as %R, Williams %R reflects the level of the close relative to the highest high for the look-back period. In contrast, the Stochastic Oscillator reflects the level of the close relative to the lowest low. %R corrects for the inversion by multiplying the raw value by -100. As a result, the Fast Stochastic Oscillator and Williams %R produce the exact same lines, only the scaling is different. Williams %R oscillates from 0 to -100. Readings from 0 to -20 are considered overbought. Readings from -80 to -100 are considered oversold. Unsurprisingly, signals derived from the Stochastic Oscillator are also applicable to Williams %R.

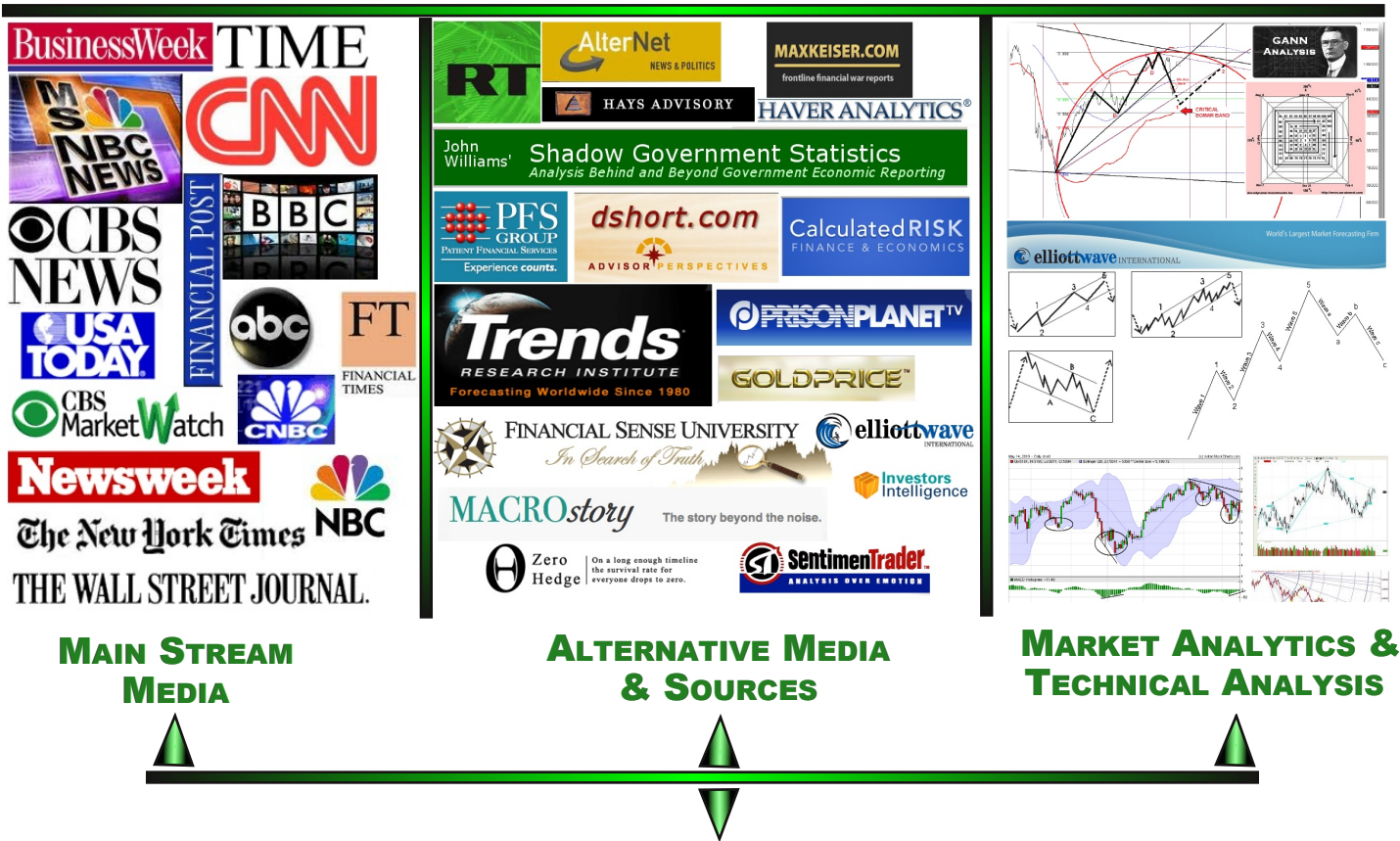
Calculation

$$\%R = \frac{(\text{Highest High} - \text{Close})}{(\text{Highest High} - \text{Lowest Low})} * -100$$



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OPEN FORUMS

Letters to the Editor
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Discussions

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Andrew, Golden Phi,

I'm impressed with the Triggers publication and the regular updates, great service!

What would assist me is a weekly or daily chart (with triggers and HPTZ) of the GBP/USD, the former world reserve currency, the currency of the Queen of England :-). Seriously though, the UK is the home of the most leveraged banking system in the world (from my research). Many traders need to hedge British Pound holdings and the crash in 2008 of the Pound is not often mentioned.

I'd also like to understand more about why/how you choose the Fib start/end points and time scales. Sometimes they are difficult to see on the charts.

I may be asking too much but could we have a chart (with triggers and HPTZ) of silver? Even just a weekly one due to the volatility in the daily/hourly one?

Keep up the great work.

Regards,

Mark

Mark.

Thank-you for the kind words!

I'm with you with respect to GBP/USD and silver. Look for them to be added to the Weekly TA in the members section in the next few weeks as I go through and update them all.

There have been a couple of articles written lately with some thoughts on using Fibonacci retracements and extensions. I'll give you a quick breeze through of my thinking but you may want to look up the others as well.

In general, if we use Fib tools at all then we are saying that the market is in some manner respecting these levels (retracements, extensions). For whatever reason, the market expands and contracts with this relationship in mind. If this is the case, then any apparent wave on any time scale should in some manner have a relationship (Fib) to all other waves. This could be said to be another aspect of the Fractal nature of the markets.

In practice, I start with the highest time scale I can get, and mark the extreme high and low. Marking the highs and lows of the most obvious waves, I work my way down the time scales. As I get down to the smaller scales and closer to the current market location, I will also start to add Fib extensions & retracements to more obvious sub-waves. The current wave will also have Fibonacci extensions & retracements from all the apparent waves that have developed, looking for the potential end of the wave. In that light, I will also reverse-engineer the current waves looking for potential likely outcomes of the larger whole.

The key to remember is the general theory of why you are doing this in the first place.

(cont.)



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If you understand the basic reason why, then you can shift your perspective to include all aspects of the market, not just the Fibonacci tools themselves. I outlined the general procedure I use and it should give you some guidance. However, when you understand what is happening and use that perspective, the places where you want to mark as significant become more obvious.

When putting the tool in to practice, you can't go wrong if you capture all the major waves and significant sub-waves. Hope this helps.

Thank-you for your note - Good Trading!

A Note to Subscribers:

A question came up recently asking about the naming and timing of the monthly issues (*Thank-you Linda!*).

TRIGGER\$ issues are a result of Gordons efforts and his monthly research. I try and summarize all the important information I feel is most relevant for Investors/Traders and gear it towards anyone who is active in the markets.

As this is the case, the body or backbone of the issue is done once Gordon releases his publications. TRIGGER\$ is usually out about 1-1/2 weeks after he releases his MATA document for the month. So by the end of the month, TRIGGER\$ is released, summarizing the work for that month.

Had I been thinking about marketing and not just the work itself when I released my 1st issue, I should have named it the next month's issue, as opposed to the current month (at months end). Then you wouldn't be reading the August issue at the end of Sept, waiting for the Sept. issue. Even though the information would be the same, you would be reading the Sept issue waiting for the Oct release.

I could name this current issue the October release, however it may call in to some questions about the September issue... So for anyone who noticed, this is why the current issue is called September/October. The next release will be the October/November issue... and so. (Don't worry, despite the convention of the name, we are still putting out 12 issues a year)

Thank-you for the inquiry - Great Question! Gave me a chance to explain our process a little bit and hopefully answer anyone else with similar thoughts.

Appreciate all comments, questions, praise and constructive criticism. Please keep them coming!

GoldenPhi



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GoldenPhi
a.k.a
Andrew Joseph

Market interest started at an early age, and I can recall having P/E ratios explained to me at 14. Interest in Technical Analysis starting taking shape in university and for the past 15 years it has been my primary focus. My experiences vary and include working for a private fund researching and developing proprietary technical analysis methods. Researching and trying to understand the markets has been a life-long pursuit & journey.



THROUGH EXTENSIVE RESEARCH, ABSTRACTION AND ASTUTE SYNTHESIS, GORDON DELIVERS FRANK PERSPECTIVES ON GLOBAL MACRO-ECONOMICS AND INSIGHTFUL CONCLUSIONS NOT FOUND IN MAINSTREAM COMMENTARIES.



Gordon T. Long has been publically offering his financial and economic writing since 2010, following a career internationally in technology, senior management & investment finance. He brings a unique perspective to macroeconomic analysis because of his broad background, which is not typically found or available to the public.

Mr. Long was a senior group executive with IBM and Motorola for over 20 years. Earlier in his career he was involved in Sales, Marketing & Service of computing and network communications solutions across an extensive array of industries. He subsequently held senior positions, which included: VP & General Manager, Four Phase (Canada); Vice President Operations, Motorola (MISL - Canada); Vice President Engineering & Officer, Motorola (Codex - USA).

After a career with Fortune 500 corporations, he became a senior officer of Cambex, a highly successful high tech start-up and public company (Nasdaq: CBEX), where he spearheaded global expansion as Executive VP & General Manager.

In 1995, he founded the LCM Groupe in Paris, France to specialize in the rapidly emerging Internet Venture Capital and Private Equity industry. A focus in the technology research field of Chaos Theory and Mandelbrot Generators lead in the early 2000's to the development of advanced Technical Analysis and Market Analytics platforms. The LCM Groupe is a recognized source for the most advanced technical analysis techniques employed in market trading pattern recognition.

Mr. Long presently resides in Boston, Massachusetts, continuing the expansion of the LCM Groupe's International Private Equity opportunities in addition to their core financial market trading platforms expertise. GordonTLong.com is a wholly owned operating unit of the LCM Groupe.

Gordon T. Long is a graduate Engineer, University of Waterloo (Canada) in Thermodynamics-Fluid Mechanics (Aerodynamics). On graduation from an intensive 5 year specialized Co-operative Engineering program he pursued graduate business studies at the prestigious Ivy Business School, University of Western Ontario (Canada) on a Northern & Central Gas Corporation Scholarship. He was subsequently selected to attend advanced one year training with the IBM Corporation in New York prior to starting his career with IBM.



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