TRIGGERS MEDIA PUBLICATIONS INC.

TRIGGER$

Economic & Technical Analysis for the Active Trader

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DECEMBER 2013
Vol.III, Issue #12
Pubic Edition

Public Edition

FLOW$: LIQUIDITY, CREDIT & DEBT

IS INFLATION UNDERSTATED?
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MELT-UP MONITOR:
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QUANTS &
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Media Matrix

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Market Research & Analytics

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TECHNICAL ECONOMIC MACRO - MICRO MARKET ANALYSIS www.triggers.ca

Public Edition

Welcome to ***TRIGGER$ Free Public Edition*** of our December 2013 publication.

While the purpose of the ***Public Edition*** is to showcase the ***Subscribers Edition***, the ***Public Edition is being built as a stand-alone produc***t. The primary difference betwen the two editions is the amount of infomation included from ***Gordon T Long, Market Research & Analytics***. Only a portion of this material is inclded in the ***Public Edition***.

One complete article from Gordon and previews of his other work can be found, as well as a random selection of other charts and analysis from him are also included each month.

Goldenphi also includes some of his material that can be found throughout each issue. ***S&P – A Closer Look*** & ***SIlver*** will always be shared and occasionally more than just a preview of the ***Traders Mento***r section. ***Media Matrix*** has been showing up with full content as well.

The ***Public Edition*** is still new and growing. We plan to continue to expand what we offer in this edition, so make sure to keep checking back each month and see what we have done!

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Welcome

*Welcome to **TRIGGER$!*** **DECEMBER 2013** ***VOL.III, ISSUE #12***

Thank-you for your interest in TRIGGER$! Each month we bring you a full report on economic and market analysis to consider for your due diligence.

In his cover article this month Gordon discuss ***Liquidity, Credit & Debt***; its effect on the market and what we can be expecting in the near future. His Feature ***Melt-Up Monitor*** takes a look at the current conditions and where they are saying we need to move next.

Shane Obata-Marusic provides some research on the current state of inflation, what it may really be, and some alternative methods to figuring it out.

Due to readers request, I revisit Technical Triggers and discuss them using examples from our new chart format in this months Mentor.

Media Matrix provides a treat this month with three mini documentaries on Quants & High Frequency Trading. Think you know what is going on in the markets? You may be surprised.

All the regular sections and research derived from Gordon T Long's MATA research and more are here as always to add to your perspective of the current global market conditions.

Thank-you &
Good Trading!
GoldenPhi

TRIGGER$ Media Publications Inc.

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FEATURED ARTICLES

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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 then 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 todays 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.

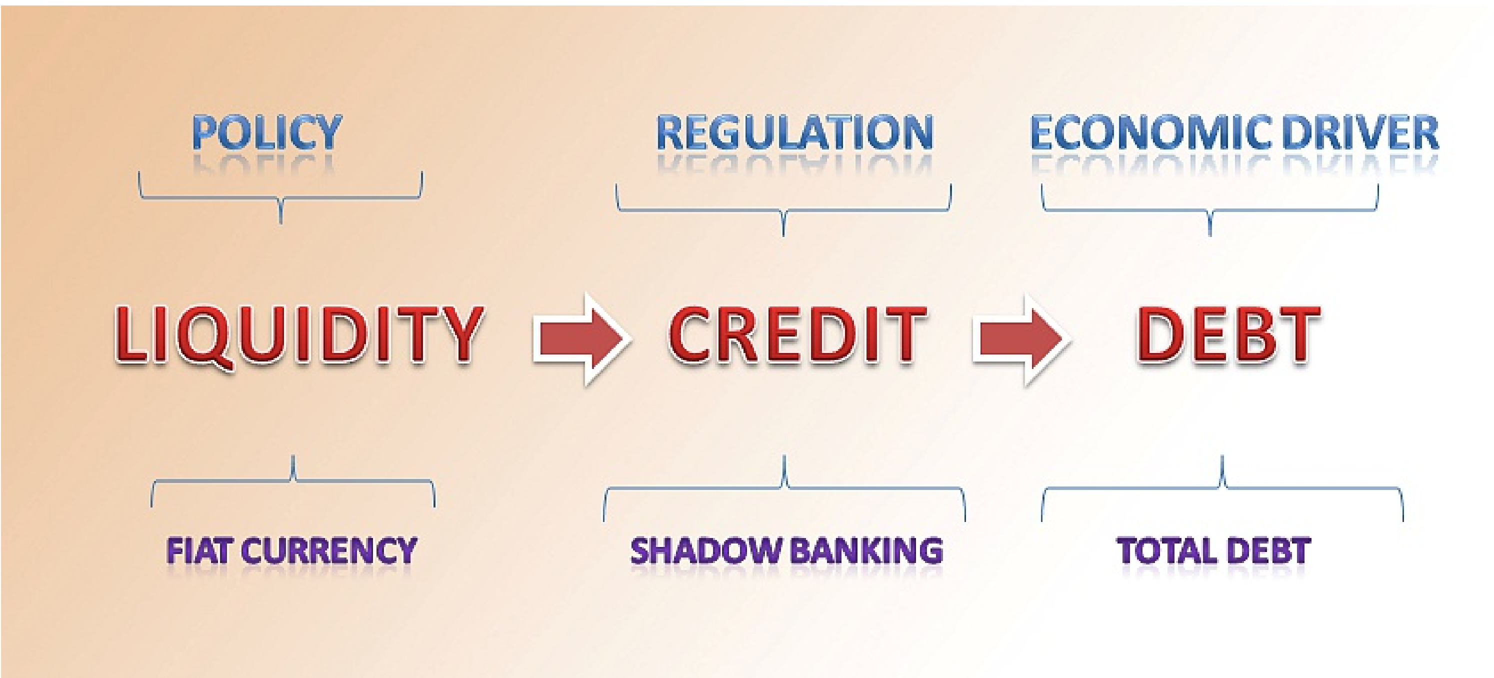
"Techni-Fundamentalism"

FLOW$: LIQUIDITY, CREDIT & DEBT

It is important to understand and fully appreciate how perceptions of FLOWS have now got control of the global financial market.

We need to consider where the Risks are. To understand risks and flows better we will examine:

- o Liquidity
- o Credit and
- o Debt



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"Liquidity is Credit is Debt"

In the new world dominated by Fiat Currencies and Debt, Liquidity is Credit and Credit is Debt. Credit and Debt are used interchangeably as simply the opposite sides of the same coin, but there are important differences and the distinctions are critical.

TERMINOLOGY

LIQUIDITY: This is the DEGREE or EASE with which an asset or security can be bought or sold in the market without affecting the asset's price. Liquidity is characterized by a high level of trading activity. Assets that can be easily bought or sold are known as liquid assets. This ability to convert an asset to cash quickly can also be thought of as "marketability."

CREDIT: The term refers to the borrowing CAPACITY of an individual or company. This is a contractual agreement. The amount of money available to be borrowed by an individual or a company is referred to as credit because it must be paid back to the lender at some point in the future. For example, when you make a purchase at your local mall with your VISA card it is considered a form of credit because you are buying goods with the understanding that you'll need to pay for them LATER.

DEBT: Is the AMOUNT of money borrowed by one party from another.

FLOW

LIQUIDITY The DEGREE or EASE with which assets or securities can be bought or sold is about **POLICY**. It is about Monetary, Fiscal and Public policies set by authorities in control of these policies. These policies no longer have the policing restrictions they once did before governments unilaterally, without a plebiscite of the electorate moved to FIAT Currencies which are backed by nothing other than the credit and good faith of the government or more specifically, the tax payer.

(cont pg.6)

CREDIT Credit as the borrowing CAPACITY of an individual or company has historically been determined by banking **REGULATION** based on lending requirements such as Capital Ratios, Reserve Ratios, Capital classifications and other enforced controls. Today however we have a $72 Trillion Global Shadow Banking System operating that is basically unregulated and opaque which uses esoteric structures such as SIV (Structured Investment Vehicles), Securitization Instruments such as MBS & ABS (Asset Backed Securities), Offshore and other off balance sheet instruments employing terminologies such as Contingent Liabilities, Repos, Rehypothecation, Collateral Transformations etc. As banks create money out of thin air by means of the fractional reserve banking system, credit is likewise conjured up with even greater ease.

DEBT Debt as the AMOUNT of money actually borrowed by one party from another is determined by the economic capabilities of supporting the debt borrowed. We are talking total debt which includes Public, Private and Household debt. It also includes Off Balance Sheet and Contingent Liability debt (though this is never reported or visible). This is because the economy must support this debt and the liabilities which come with it existing.

Our DEBT BASED ECONOMIC SYSTEM has become FUELED by CREDIT and the LIQUIDITY that allows the degree and easy by which it FLOWS.

MONETARY MALPRACTICE

What few appreciate and must be understood is that it must be extremely tightly controlled or you will get:

- Mispricing,
- Misallocation of Capital and
- Mal-Investment.
- You also get Moral Hazard and
- Unintended Consequences.

After nearly 9 years of extremely low interest rates and five years of nearly zero interest rates which should expect no less than these elements to be a major concern. They are but no one wants to talk about them because Keynesian Economics has no answers to this and no one

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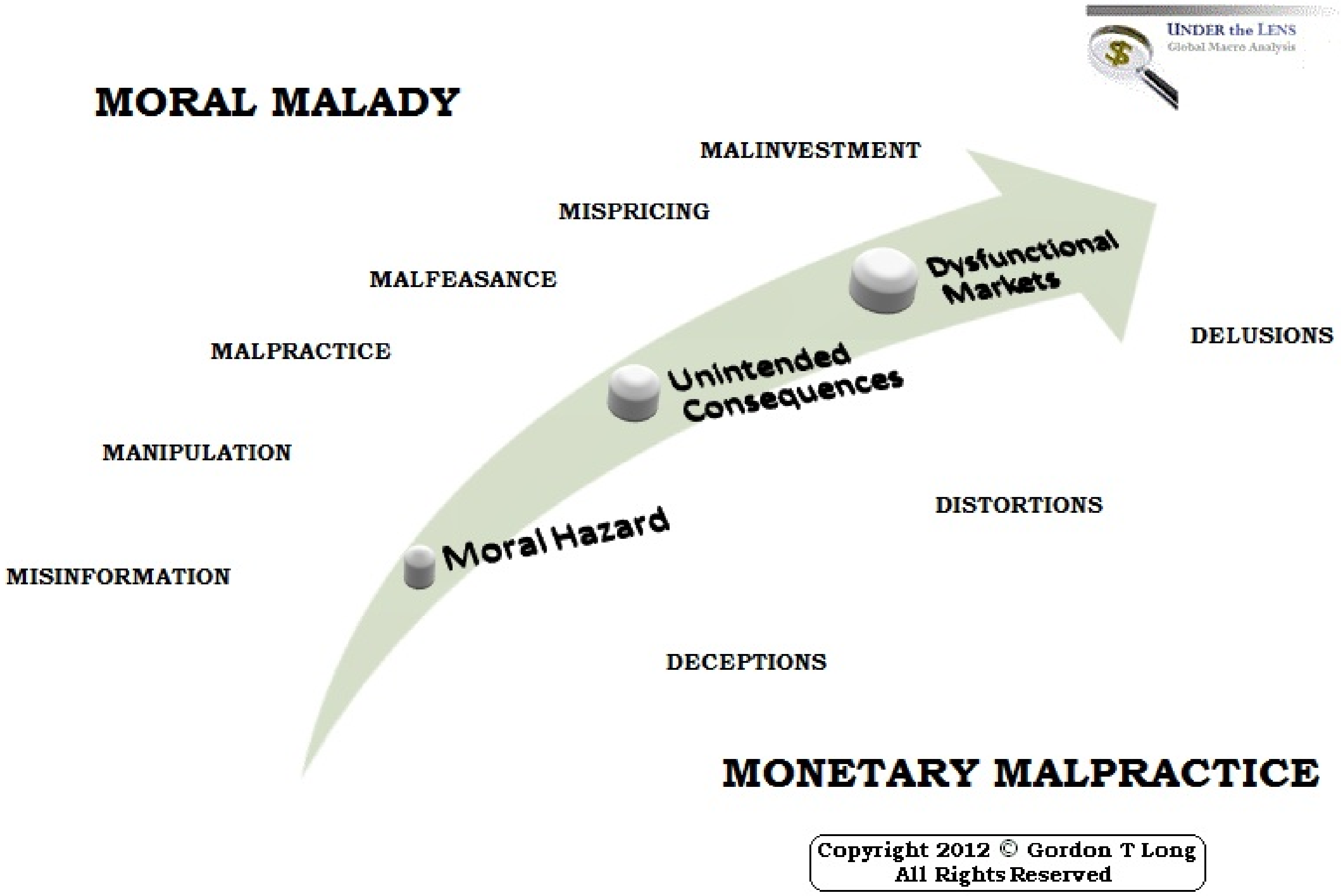
knows what else to do. That doesn't mean it doesn't exist with all its consequences as I have outlined extensively in Monetary Malpractice and Moral Malady. But let me not digress!



PLAYERS & DYNAMICS

The players and dynamics at play we are familiar with but are worth restating.

CENTRAL BANKS The central banks, which in the case of the Federal Reserve in the US are not government apparatuses. The Fed is a quasi-government structure that is actually owned by the banks. Ben Bernanke's legal boss, are the shareholders, which are the banks. He may be appointed by the President, approved by Congress and give testimony before Senate and House Banking Committees but his job is the about the soundness and protection of the banks. The economy matters only in how it impacts lending and risk. The Fed's dual mandate of Price Stability and Full Employment are really a measure of how risky bank loans are and whether the debt obligations can be carried by the economy. As big a subject as this is, I want to focus more on CREDIT which is about the Commercial Banks and DEBT which is about Debtors.

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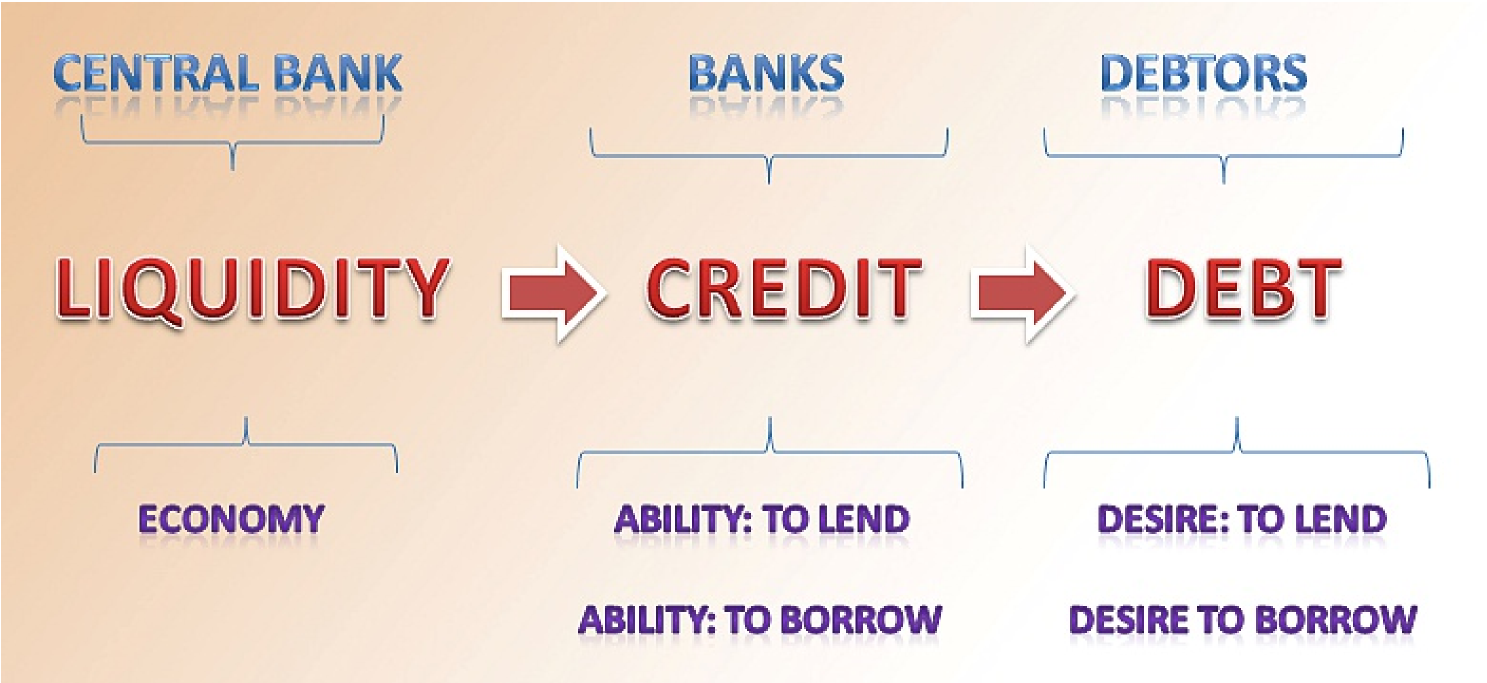
FLOWS: Liquidity, Credit & Debt (cont.)

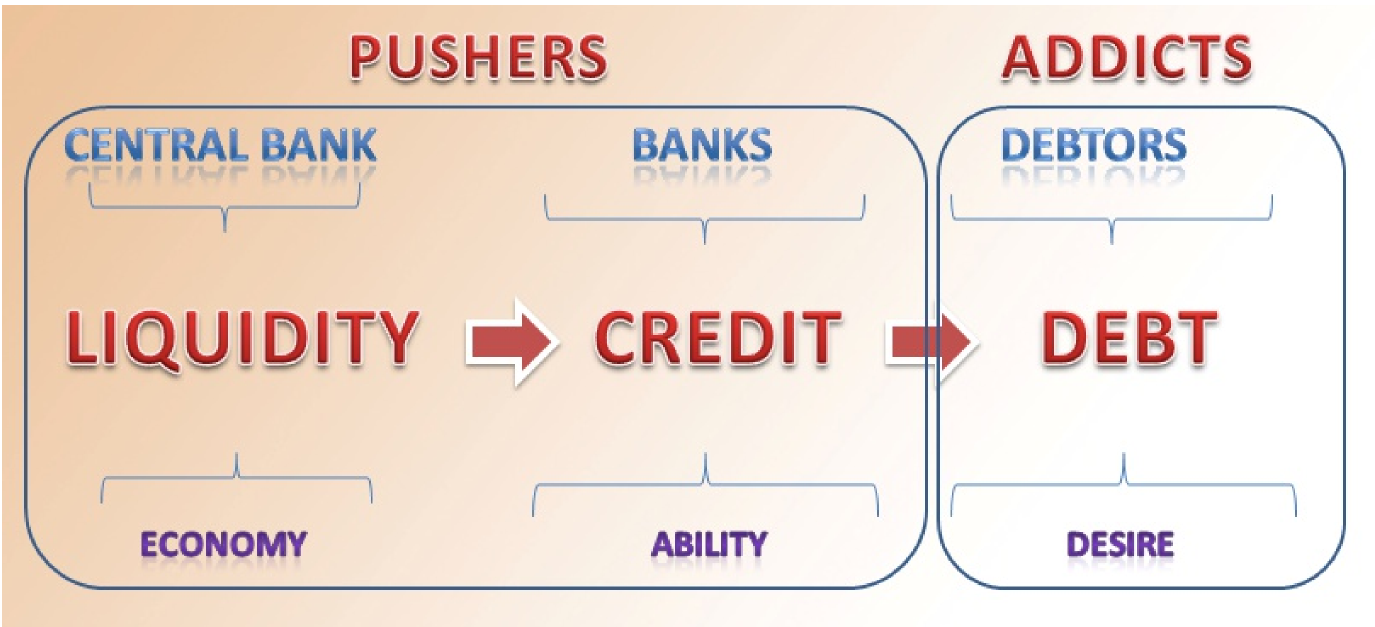


BANKS I want to differentiate clearly here about the difference between

- The ABILITY: TO LEND and
- The ABILITY TO BORROW versus
- The DESIRE: TO LEND and
- The DESIRE: TO BORROW.

Each of these has different controllers, metrics and ways of assessing. Obviously they all work together but changes in anyone of these and this LIQUIDITY>CREDIT>DEBT FLOW can suddenly stop or slow precipitously.

PUSHERS & ADDICTS



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FLOWS: Liquidity, Credit & Debt (cont.)

The banks as we are all aware are in the Business of Trafficking in Debt. We have become so addicted to debt that we might want to think of banks as PUSHERS. The Private, Public and Household sectors have become addicts, completely incapable of stopping.

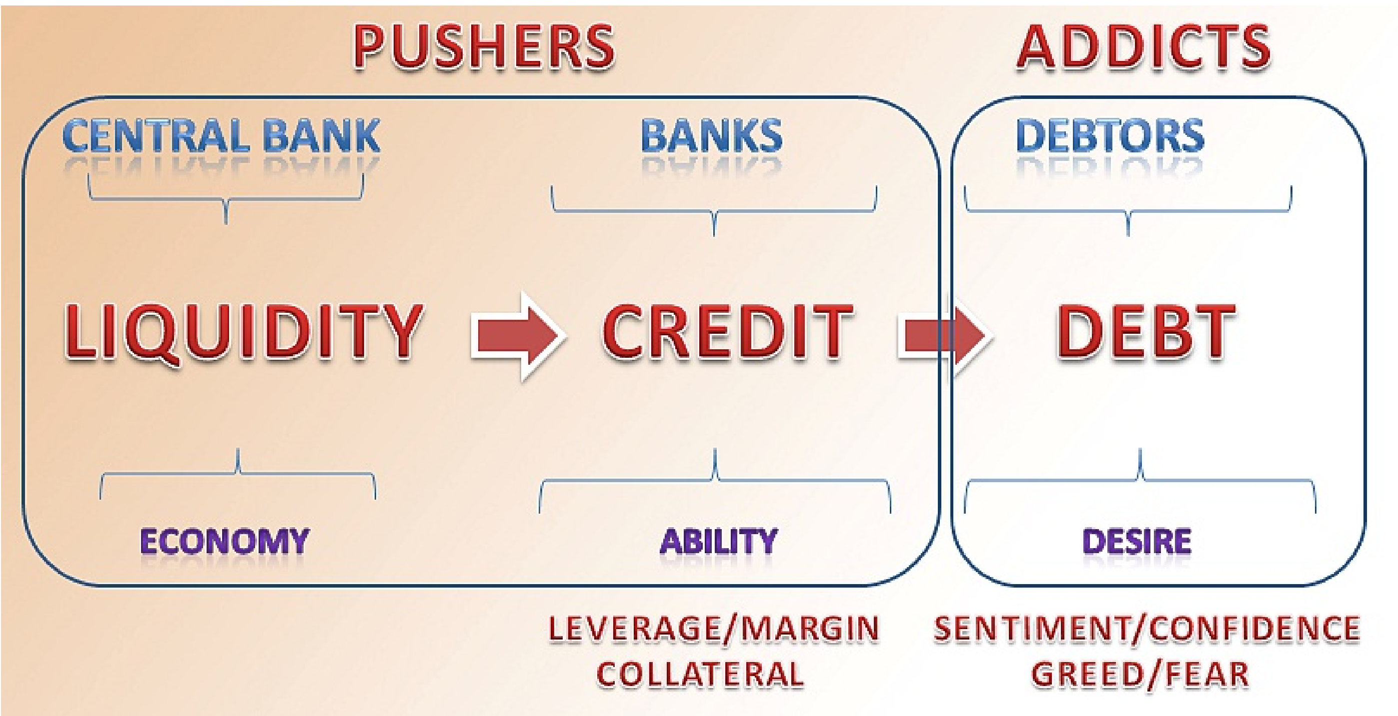
Never has that age old adage been truer:

"Gold is the Currency of Kings, Silver the Currency of Merchants and Debt the Currency of the Poor."

MOTIVATIONS The Motivations need to be considered carefully. The PRICING of the DRUG is like heroin. The stronger the desire and need for the drug, the higher will be the price and profit.

This will continue until the inevitable happens where the addict simply is unable to PAY and must resort to unsavory means to support the addiction. What does this mean to Credit and Debt? Let's look more closely.

UNDERSTANDING THE LEVELS



ABILITY TO CREATE CREDIT is about the **CAPACITY.** This capacity is about:

1. Margin or Leverage and
2. Collateral.

(cont pg.11)

FLOWS: Liquidity, Credit & Debt (cont.)

THE DESIRE TO CREATE DEBT is about the **LEVELS** which are driven by:

1. Sentiment or Confidence and
2. Greed and Fear or Speculation.

	CREDIT	DEBT
	ABILITY	DESIRE
BANKS	1- REGULATORY: - Leverage/Margin Requirements	CONFIDENCE: - Repayment, - Collateral Values, - Profit
DEBTORS	2- COLLATERAL - Secured, - Unsecured	Sentiment: - Opportunities, - Speculation

What is critical to appreciate is the Transformation of Liquidity to Credit to Debt

The Transformation of Credit to Debt is Breaking Down in a couple of key areas.

	CREDIT	DEBT
	ABILITY	DESIRE
BANKS	REGULATORY: -Leverage/ Margin requirements the most relaxed in years - Covenat-Lite Credit back in vogue	CONFIDENCE: - $2T in Access Reserves at the Fed NERVOUS ABOUT GROWTH & STABILITY
DEBTORS	COLLATERAL: - Assets value appreciation improving collateral values, - Shortage of High Quality Collateral (new, unpledged) - Collateral Transformation	SENTIMENT: - CAPEX Continues to Fall, - Small Business Not Investing, FINANCIAL 'PAPER' SPECULATION - Nearing Dotcom levels

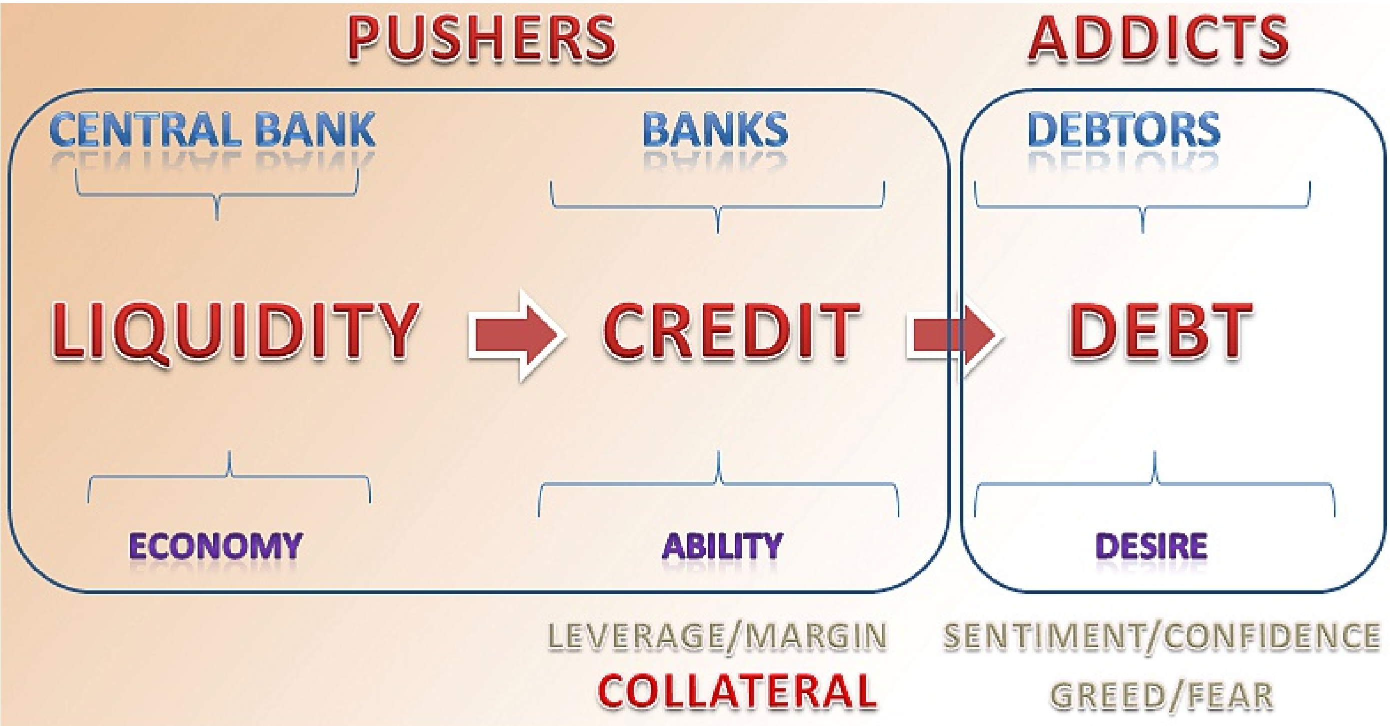
(cont pg.12)

FLOWS: Liquidity, Credit & Debt (cont.)

First: The Desire to lend by the banks is decidedly muted as demonstrated by the fact they have $2T of access reserves at the Federal Reserve. They can't find the loans that have satisfactory lending profiles.
Additionally, Corporations are not investing in CAPEX and are using cash flows to fund investment or cheap commercial paper.

Second: Those trading or wildly speculating in "Paper" investments can't find sufficient low risk collateral that they are now resorting to strategies such as collateral transformation with the banks to make this happen.

Credit is flowing only to the Financial Intermediaries that are trading in paper claims on wealth – not on to the Economy that actually creates the wealth. It isn't that the banks don't want to lend.



The growth and opportunities are not seen to be there. Simply put, there is too much mispricing, excessive mal-investment and distorted allocation of capital.

It is showing up with a collateral shortage.

… and this is what we need to understand:

(cont pg.13)

Credit is not Capital

Credit Growth Drives Economic Growth

....but

Credit is not CAPITAL!

- Credit & Money Are IOU's
- Credit & Money Are Claims on Wealth
- Capital is "Unencumbered" Wealth
- Capital Is Created by Savings from Profits
- Capital Is Grown, Built or Mined. It is Not Printed

Credit may be Money. But Money is not Capital!

Credit and currency are IOUs.

Credit and currency are only CLAIMS on wealth. These claims must be enforced by law and hopefully honored. They are NOT wealth in your hand. They are not longer a store of value when currencies can be arbitrarily debased to avoid paying existing claim values.

Capital on the other hand is "Unencumbered" Wealth.

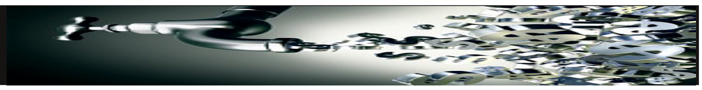
Capital is created not printed.

Capital is created by savings from profits.

Capital can be thought of as only being created by growing it, building it or mining it.

It is never printed!

QUALITY COLLATERAL IS BECOMING IMPAIRED AND SCARCE



Where is the problem?

As I said, we have impaired collateral underpinning debt.

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FLOWS: Liquidity, Credit & Debt (cont.)

- **What Happens if Credit Freezes Up??**
- **Might There Be Another 2008 Like Crisis??**

How Could This Happen?

- **Impaired Collateral Underpinning Debt**

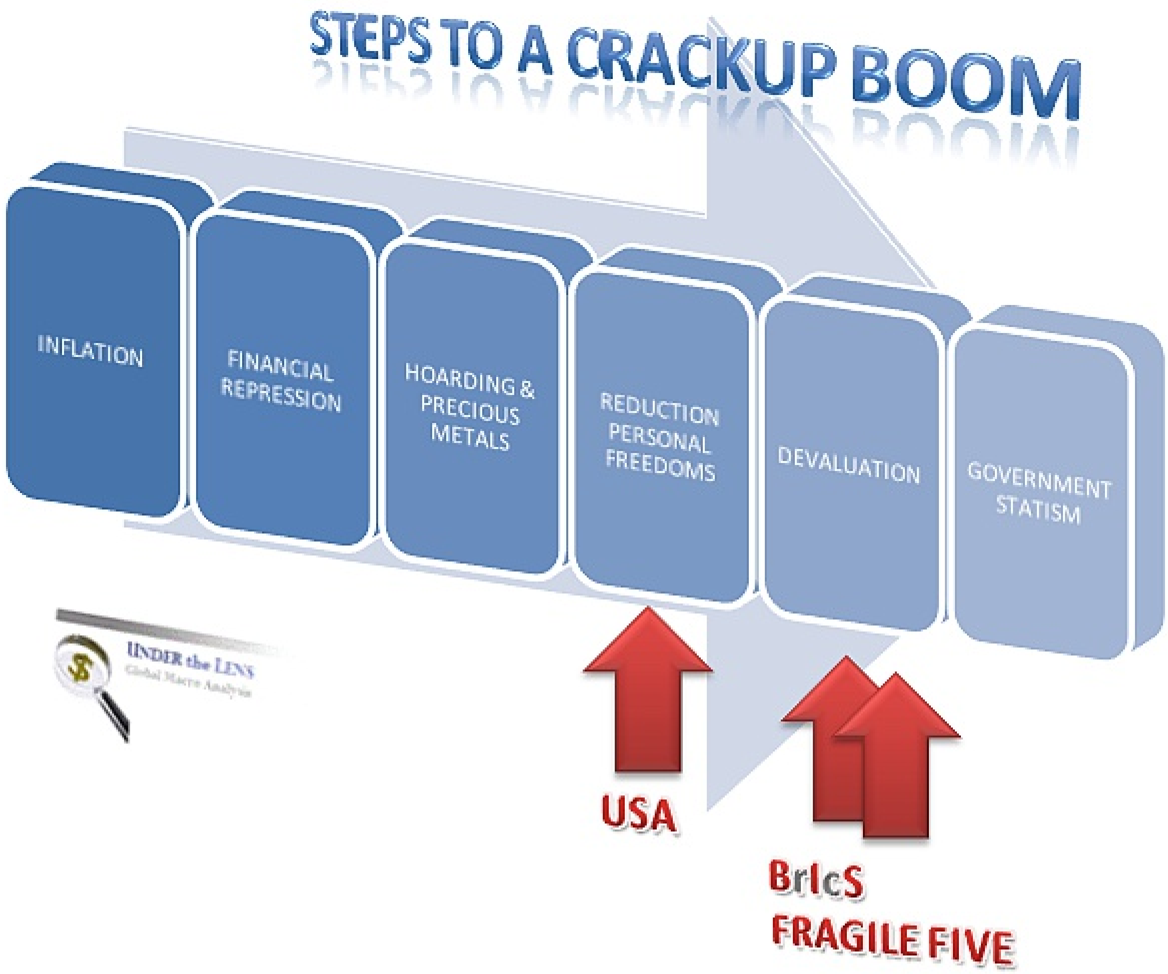
1. Exploding Non Performing Loans
2. Rampant Mal-investment & Mispricing from excessively protracted period of easy credit,
3. Leverage and Margin at unprecedented historic levels,
4. Rehypothecation (Un-Regulated Debt Used as Collateral to Secure Debt to Secure Debt....)
5. $700T Unregulated SWAPS market with dubious and opaque collateral requirements,
6. $72T unregulated Shadow Banking System with dubious collateral,
7. Central Banks Accepting sub quality Collateral for Risk free Collateral,
8. Process of Collateral Transformation Unregulated and Growing,

Credit Leads the Way Today

(cont pg.15)

FLOWS: Liquidity, Credit & Debt (cont.)

This is not going to end well. We are getting short term signs of this. But these are only small degree indicators.



We have more to go in what is appearing more and more to be stages of a von Mises crackup boom.

END

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METHODOLOGY

TRIGGER$, in collaboration with "Gordon T. Long - Market Research & Analytics", have thier own unique approach to Techni-Fundamental Analysis. The material found in TRIGGER$ 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 Ponts - 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.

The All Seeing Eye

On Market & Economic Indicators

Credit Leads Equities
Crack-Up Boom
Valuations
Fundamentals Disconnect

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Credit Leads Equities and It is Sending a Clear Message

We Are Seeing Signs of a Potential Crack-Up Boom in Equities

When Valuations No Longer Matter – A Correction Usually Follows

Euphoria and Complacency Need Serious Consideration

We are within 5-6 months of a Multi Decade Top and Market Reversal

Some Things in the Near Term Are Eerily Familiar

Markets Have Disconnected from All Basic Fundamental Valuation Measures

Margin Debt is at a Peak (Again)

Earnings are falling With a Q4 "Hockey Stick" To Come

Most Sentiment Indicators Are Rolling Over Again (History Tells Us to be aware of this)

Feature Article

IS INFLATION UNDERSTATED?

Shane Obata-Marusic

"By a continuing process of inflation, Governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and, while the process impoverishes many, it actually enriches some .... Those to whom the system brings windfalls .... become "profiteers" who are the object of the hatred ... the process of wealth-getting degenerates into a gamble and a lottery .. Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose." **Keynes on Inflation**

1) VESTED INTERESTS

It's ironic that in a day and age where Keynesian economics is the "accepted view" we still don't pay enough attention to what Keynes said about inflation.

The problem today is that some people believe inflation is lower than it actually is.

The Consumer Price Index CPI is used to measure the cost of maintaining a certain standard of living. Now it measures the cost of maintaining a certain level of satisfaction.

In reality, the purchasing power of the consumer dollar is tanking and the prices of many goods, services, and assets are increasing in price. The end result is that the consumer is suffering. By creating incredible amounts of money, the central banks of the world are debasing the currencies that they issue. In other words, the value of all of existing dollars is reduced when new dollars are supplied.

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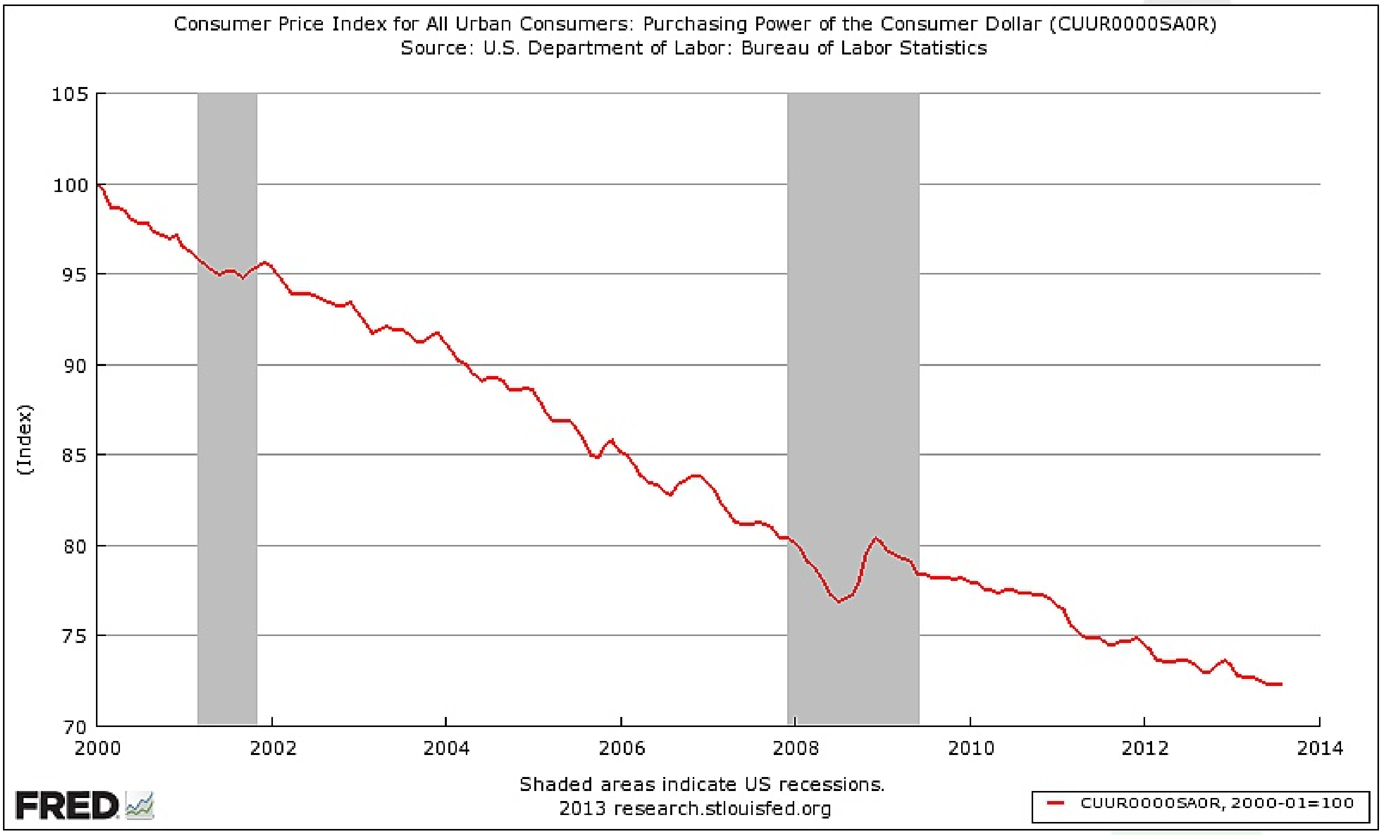
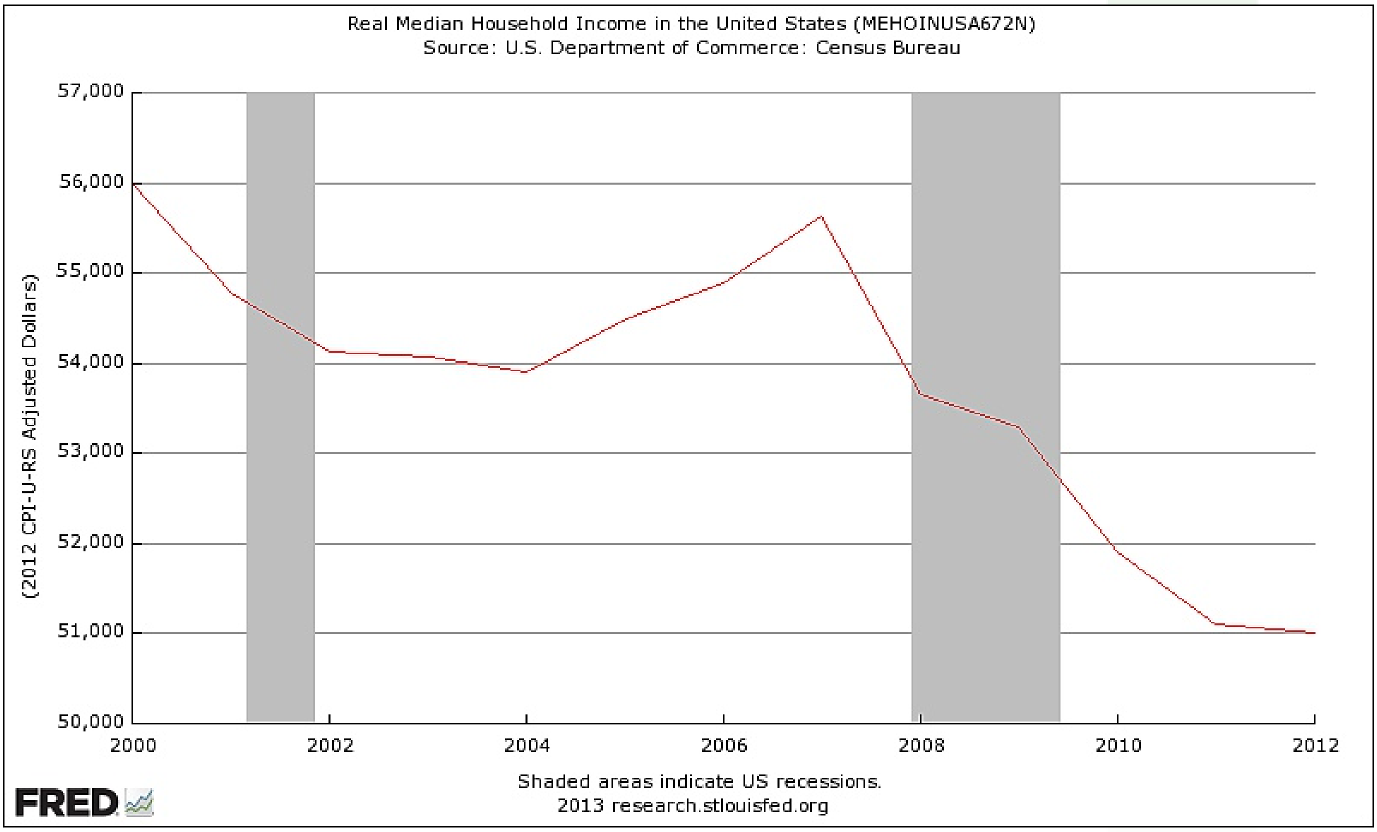
Is Inflation Understated? (cont)



This is translating to a lower quality of life for more Americans. When one examines real median household income – which was down to $51,000 in 2012 from $56,000 in the year 2000 – this becomes evident.



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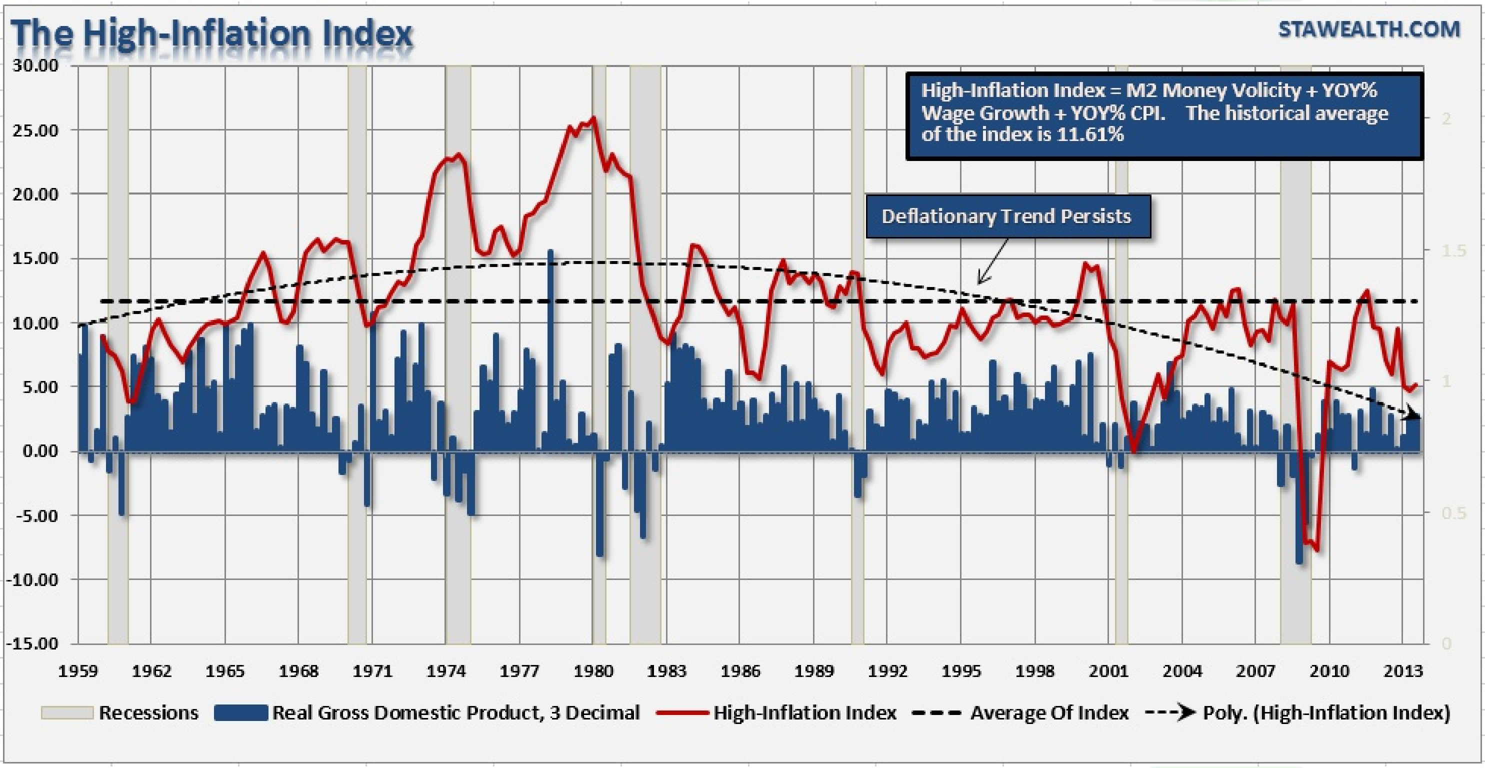
Is Inflation Understated? (cont)

Before we continue, let's make something clear. The year over year rate of increase in inflation has been in a downtrend for some time. Therefore, it's reasonable to conclude that disinflation is a real risk.



That said, because of the presence of the central banks, it's unlikely that deflation will become a real problem.

The CPI affects the economy because cost of living adjustments to social security, federal civilian and military retirement, and supplemental security income are tied to it. It's also used to [index income tax parameters, TIPS, and some federal contracts](#).

If the CPI is so important then why does it understate inflation?

That question brings us to the government's "inflation dilemma". The US government has 1 of 2 choices: either it can 1) mislead its citizens by understating inflation or 2) release accurate inflation data thereby increasing social benefit obligations. This is a lose-lose situation because, unfortunately, both choices only serve to perpetuate an already insurmountable debt problem.

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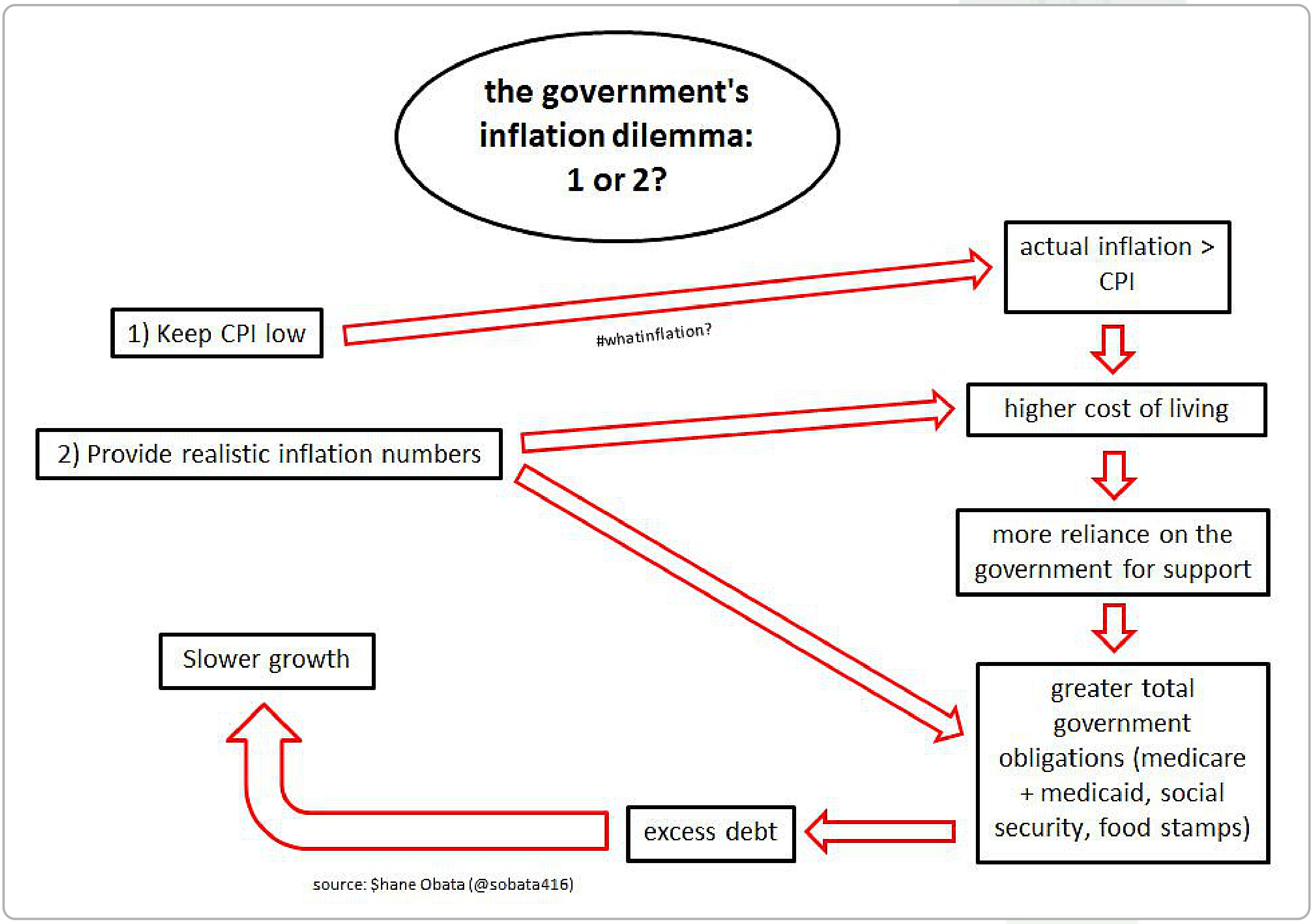
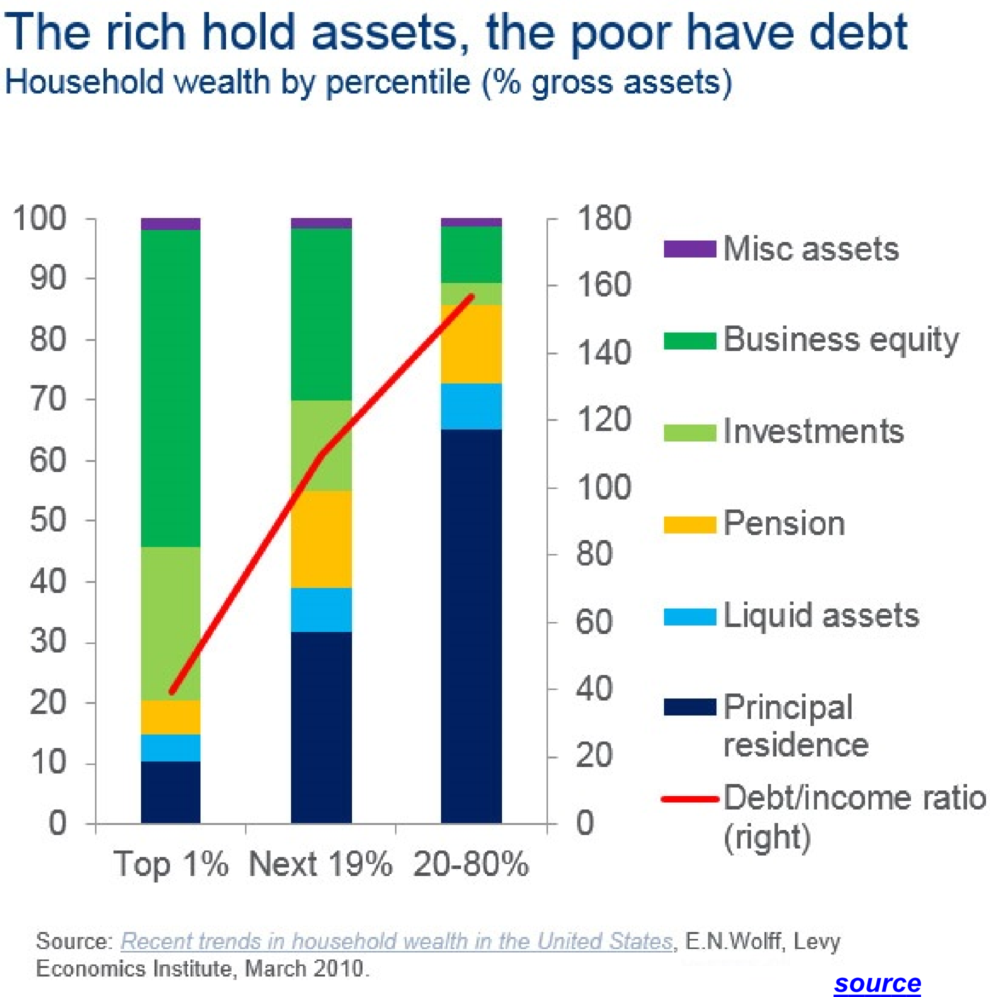
Is Inflation Understated? (cont)



So why is it important to know that inflation is understated? Because, as Keynes said in the opening quote, inflation is essentially a means by which wealth – in the form of real assets such as real estate, businesses, stocks, and bonds - is transferred from the poor and the middle class to the rich. As asset prices inflate, the rich get richer. This allows them to purchase even more assets. At the same time, the poor and middle class become worse off because they have fewer assets and more debt.

(cont pg.22)

Is Inflation Understated? (cont)



[source]

Due to the fact that the CPI understates actual inflation, low and middle income individuals are struggling to keep up with the rising costs of living. As a result, more and more people are relying on the government for support.

Inflation is only “low” because of how it’s calculated. Since the 1980s, the US government has made many changes to how the CPI is calculated. These changes have resulted in an index that no longer accurately represents how expensive it is for people to live.

(cont pg.23)

Is Inflation Understated? (cont)

The Way The Politicians Wanted It

In the early-1990's, political Washington moved to change the nature of the CPI. The contention was that the CPI overstated inflation (it did not allow substitution of less-expensive hamburger for more-expensive steak). Both sides of the aisle and the financial media touted the benefits of a "more-accurate" CPI, one that would allow the substitution of goods and services.

The plan was to reduce the cost of living adjustments for government payments to Social Security recipients, etc. The cuts in reported inflation were an effort to reduce the federal deficit without anyone in Congress having to do the politically impossible: to vote against Social Security. The inflation-calculation changes had the further benefit to government fiscal conditions of pushing taxpayers artificially in to the higher tax brackets, thus increasing tax revenues. The changes afoot were publicized, albeit under the cover of academic theories. Few in the public paid any attention.

Federal Reserve Chairman Alan Greenspan and Michael Boskin, then chairman of the Council of Economic Advisors, were very clear as to how changing or "correcting" the CPI calculations would help to reduce the deficit. As described at the time by Robert Hershey of the New York Times, "Speaker Newt Gringrich, Republican of Georgia, suggested this week that fixing the [CPI] index, with its implications for lower spending [Social Security, etc.] and higher revenue [tax bracket adjustments], would provide maneuvering room for budget negotiators…"

John Williams'
Shadow Governement Statistics
PDF pg.4

The Boskin Commission estimates that the cumulative effects of a 1% bias (to the upside) would have added 1 trillion dollars to national debt in between 1997-2008; clearly, this was an incentive to lower the reported state of inflation

2) PROBLEMS WITH THE CPI

If the CPI understates inflation then why is it so widely used and referred to? Probably because it's accepted as "the best measure of inflation that exists".

In terms of measurement, the CPI has 3 main problems: 1) hedonics, 2) substitution, and 3) understated costs.

1) Hedonic Adjustments are meant to account for changes in the quality of goods and

(cont pg.24)

Is Inflation Understated? (cont)

services. The concept of adjusting prices for changes in quality makes sense. That said, the process is too subjective and is far from perfect.

Some examples:

> **New computer features were deemed quality improvements, with downside price adjustments made in the CPI for the changes, even though a consumer may not have wanted or used the features**
>
> **The consumer still had to buy those features and pay full cost out-of-pocket, irrespective of what the government determined those products were generating in purported hedonic quality benefits that the consumer was not considering or using.**

John Williams'
Shadow Governement Statistics
PDF pg.6

more issues related to subjectivity:

- where does a good stop being a variety of a given product class and become a product on its own? – ex: Toyota corollas and Toyota camrys.

- when it comes to a good or service's characteristics, who's judging their utility? The consumer or the producer or both?

- how can someone accurately determine the "quality" of novel or intangible items?

- what if the ratio of prices does not = the ratio of qualities?

Examples:

1) if an old product is discounted and a new product is introduced at an unusually high price

2) if an item is introduced into the market at an unreasonably low price in order to induce demand and then subsequently increases in price during a return to normal market conditions

3) when a new item is not comparable to an old item

(cont pg.25)

Is Inflation Understated? (cont)

and one final comment on inflation:

5. To bring this more general part of my remarks to an end I would like to mention an observation which fundamentally changed my thinking concerning price statistics. According to official statistical figures we never had an even slight inflation in *the former GDR* though the general public was well aware of rising prices everywhere. The trick to achieve this feat was to consistently find *the* suitable amount of quality improvement to exactly offset the rise of a price and if this could not be done with some plausibility a intentional rearrangement of the selection of goods and services was made, more or less overtly in such a way that the commodity the price of which went up was replaced by another one where the price remained constant or was even declining[4].

[4] It is of course true that there was not really a theory-driven search for some gains in utility to commensurate the observed rise of prices in the former GDR, but a rather blunt desire to do away with inflation. The situation is of course different in democratic countries where no such political influence may be wielded. Yet the example at least shows which aspects of index methodology deserve attention when we suspect some kind of manipulation in price statistics.

The take away point here is not that hedonics is a bad concept but that a lot of subjectivity is involved in calculating hedonic adjustments. It's a conflict of interest for the Bureau of Labor Statistics (BLS) to calculate the CPI because it's in the government's interest to lower social benefit payments. As a result, the BLS's inflation data are questionable.

2) Substitution may reflect changes in consumption patterns. That said, the concept of substitution invalidates the CPI as a measure of the cost to maintain a certain standard of living. Ex: if Bob eats steak every day for a year but is then forced to switch to chicken because of rising beef costs then it's plausible to think he's maintained the same level of utility. That said, one cannot argue that he's maintained the same standard of living if he's forced to substitute steak for a lesser alternative.

BLS introduced: More frequent re-weightings of the CPI index from every ten years to every two years, which moved the CPI closer to a substitution-based index, but the change was not considered a change in methodology.

BLS introduced: On-going re-weightings of sales outlets (discount/mass-merchandisers versus Main Street shops), also moving closer to a substitution-based index and creating other constant-standard-of-living issues.

John Williams'
Shadow Governement Statistics
PDF pg.5

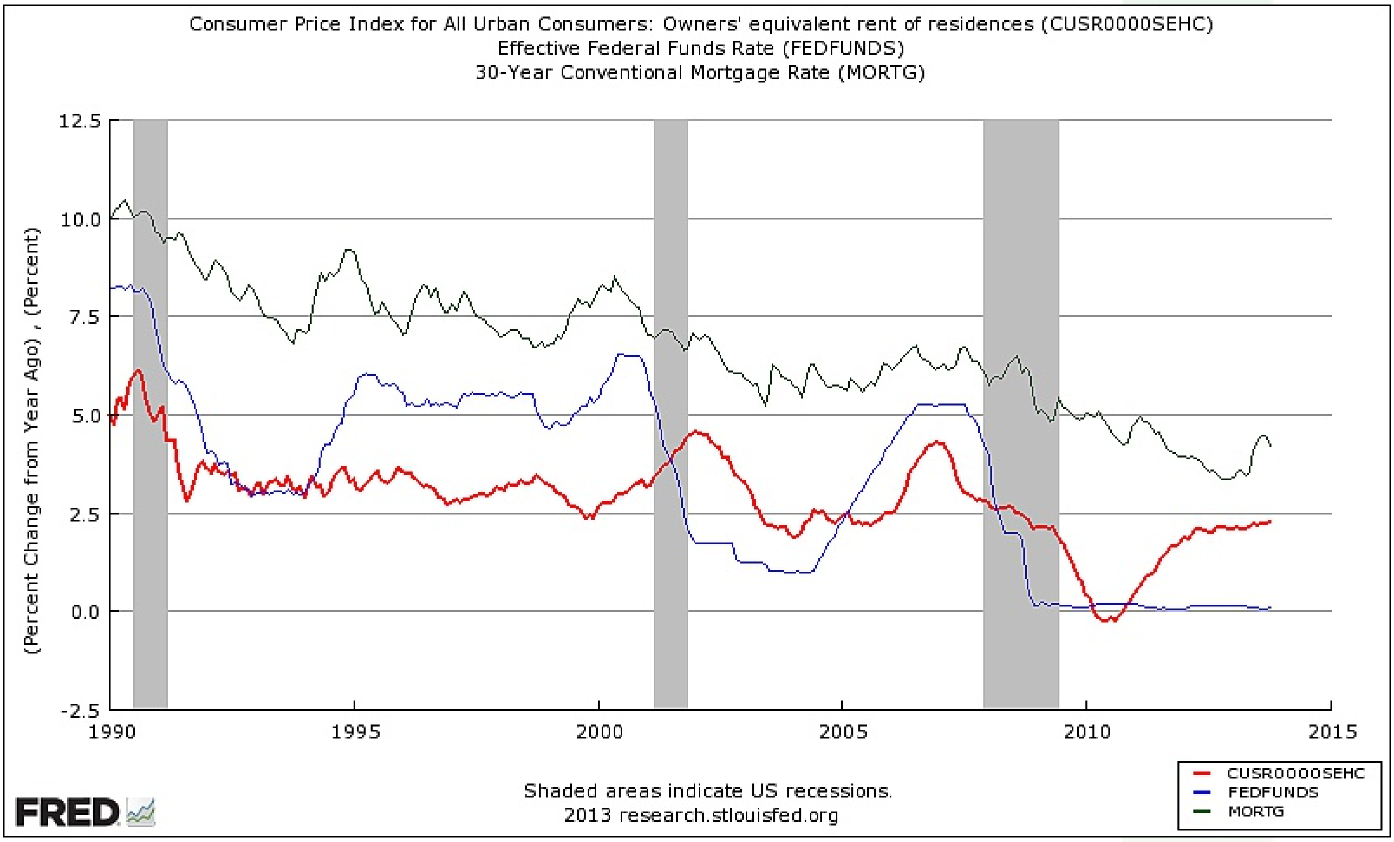
(cont pg.26)

Is Inflation Understated? (cont)

3) If the BLS was actually trying to measure the cost of home ownership then their measure of housing inflation – the Owner's Equivalent Rent (OER) – would include property taxes, maintenance costs, and insurance. The next best option would be to use the actual price of home. The OER is even less realistic as it measures "how much someone's house would rent for monthly, unfurnished and without utilities.

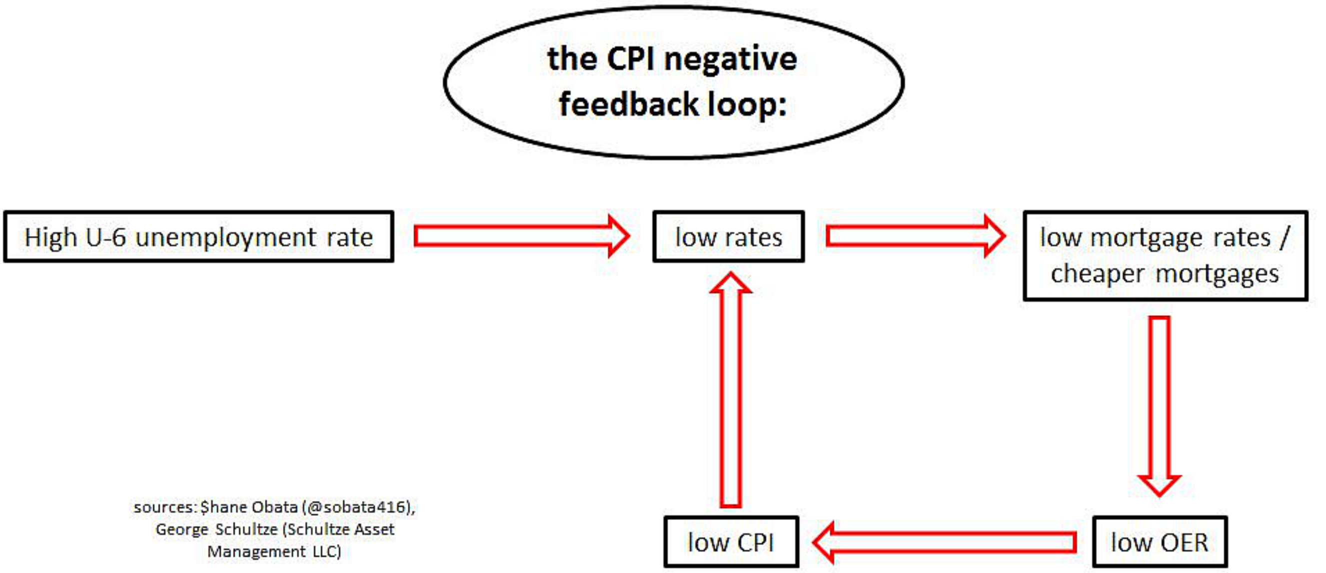
"the problem with this hypothetical approach to measuring a significant portion of CPI is obvious at best. At worst, it's somewhat disturbing in today's information age where actual home price data are readily-available at the mere stroke of a key. The "corrected" CPI measure clearly failed to predict an incredible amount of home price inflation which ultimately led to the biggest housing bubble in the history of the world." **FORBES**

A lower OER leads to a lower CPI. This in turn leads to lower rates which lead to an even lower rate of growth in OER; it's a negative feedback loop. What's more is that the OER is the single largest component of the CPI!



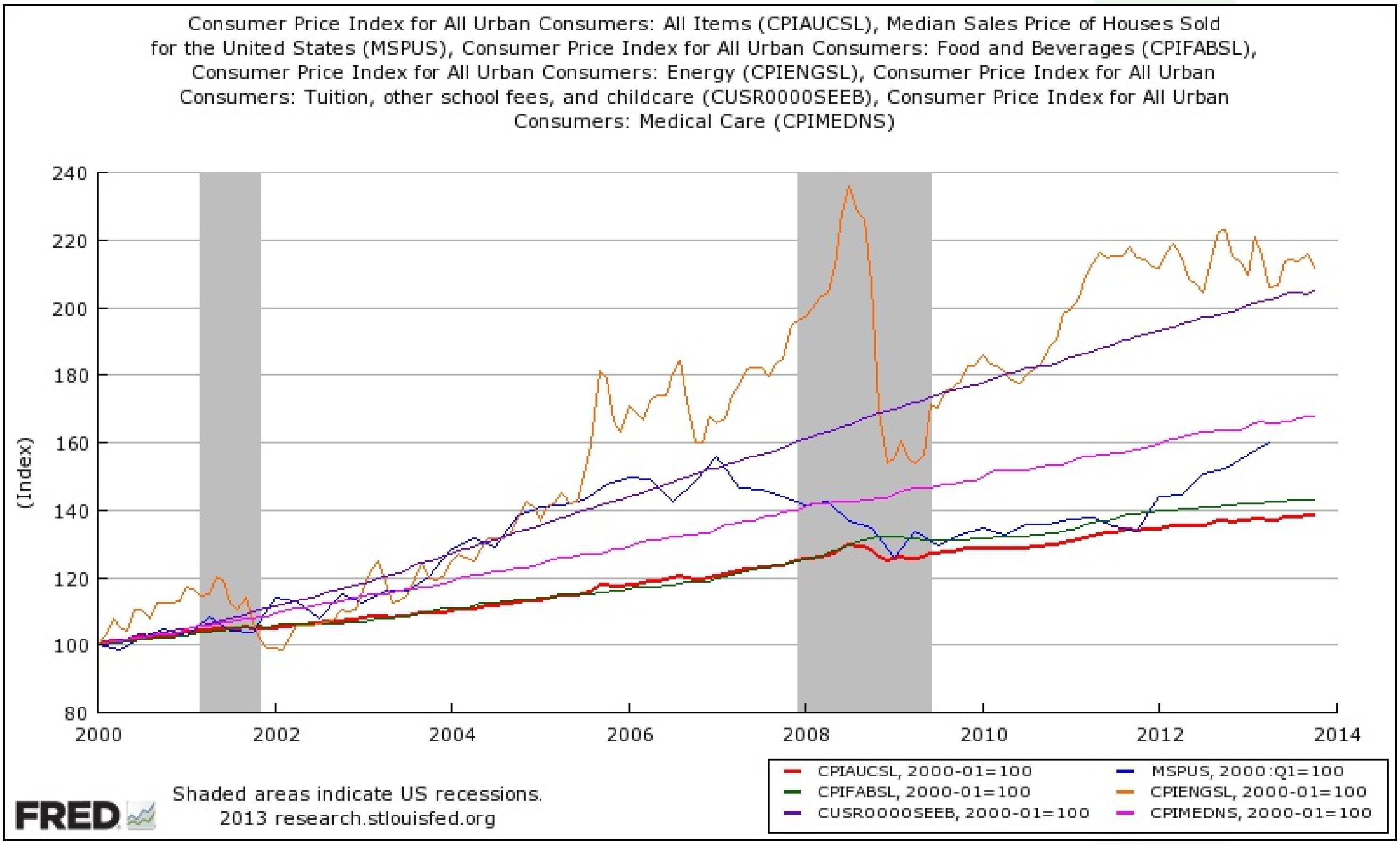
(cont pg.27)

Is Inflation Understated? (cont)



[FORBES](#)

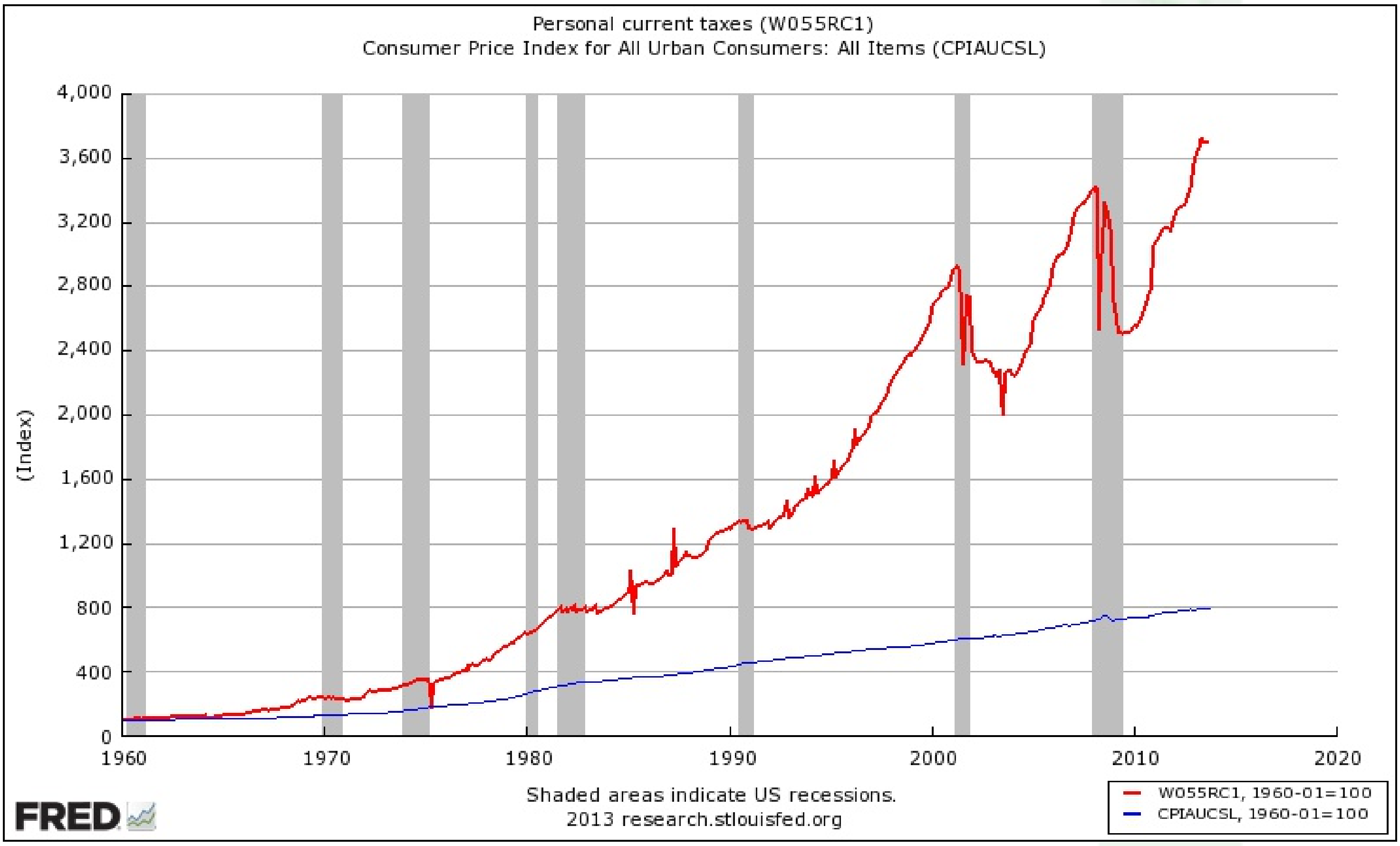
The CPI also fails to reflect higher costs in other areas such as energy, tuition, medical care, and food and beverages. Here is a chart that demonstrates how the CPI underestimates inflation:



(cont pg.28)

Is Inflation Understated? (cont)

Lastly, it's important to the note that the CPI doesn't include taxes - which have grown from 5% in 1913 to over 30% in 2013. It doesn't make sense that the CPI doesn't include such a significant expense. Thus, the CPI is flawed as a measure of maintaining a certain standard of living.



3) ALTERNATIVES TO THE CPI

The following section will examine multiple alternative measures of inflation. It is not that any or all of these measures are perfect, it's that the actual rate of inflation is higher than the CPI says it is. As a reminder, at its current levels, the CPI indicates that inflation is running at around 1% year over year.

1) Shadow Stats:

According to Shadow Stats, the CPI understates inflation by around 3% and 7% for the 1990s and 1980s based shadow stats alternatives respectively.

(cont pg.29)

Is Inflation Understated? (cont)

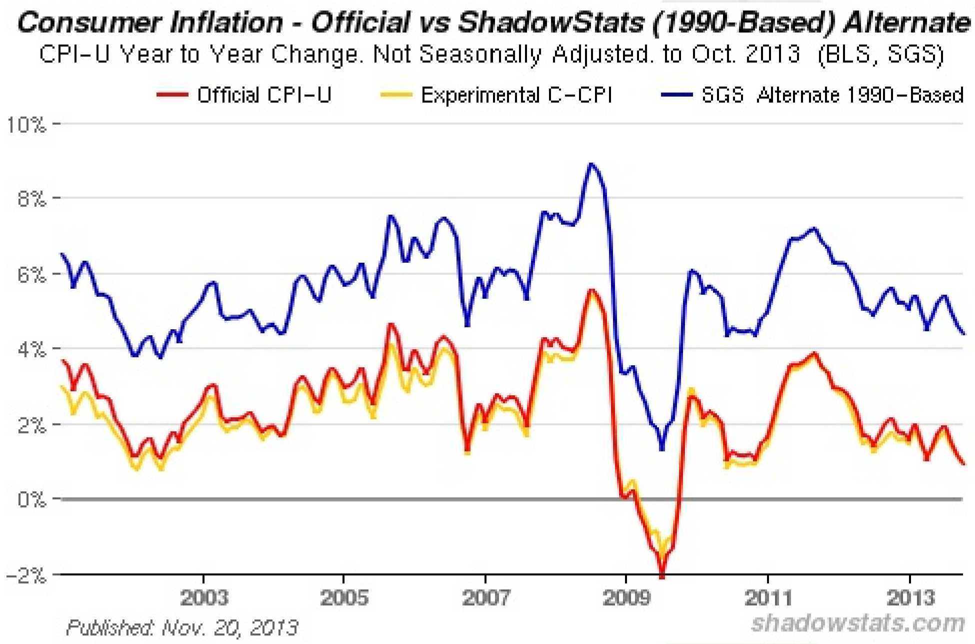
CPI Year-to-Year Growth

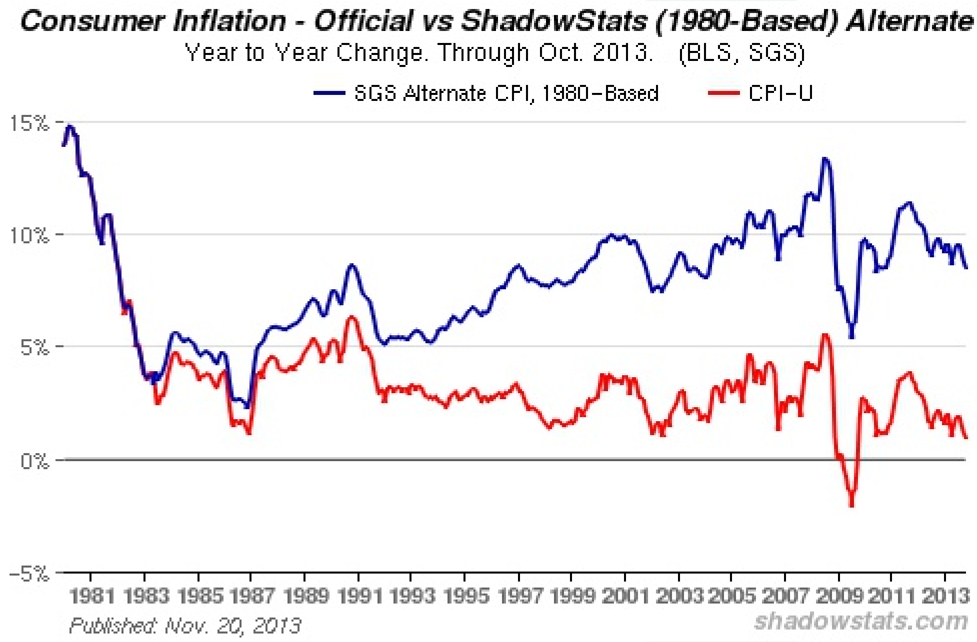
The CPI-U (consumer price index) is the broadest measure of consumer price inflation for goods and services published by the Bureau of Labor Statistics (BLS).

While the headline number usually is the seasonally-adjusted month-to-month change, the formal CPI is reported on a not-seasonally-adjusted basis, with annual inflation measured in terms of year-to-year percent change in the price index.

In the charts to the right we show two SGS-Alternate CPI estimates: One based on the pre-1990 official methodology for computing the CPI-U, and the other based on the methodology which was employed prior to 1980.

Please note: Our Data Download is currently only providing the 1980-Based numbers, but 1990-Based numbers will be introduced shortly.





2) Chapwood index:

In 2012, the average inflation rate for the top 30 cities – ranked by population – was approximately 11% - or more than 3x higher than what the CPI was.

(cont pg.30)

Is Inflation Understated? (cont)

City (Ranked By Population)	State	Calendar Year 2011	Calendar Year 2012	June 30 Trailing 12 Months
1. New York	NY	11.6%	12.1%	11.70%
2. Los Angeles	CA	12.3%	13.2%	12.80%
3. Chicago	IL	10.9%	13.6%	12.40%
4. Houston	TX	9.9%	10.2%	9.90%
5. Philadelphia	PA	11.4%	12.8%	12.90%
6. Phoenix	AZ	8.7%	11.1%	10.60%
7. San Antonio	TX	9.6%	9.9%	9.70%
8. San Diego	CA	12.1%	12.4%	13.10%
9. Dallas	TX	9.4%	10.2%	10.20%
10. San Jose	CA	12.8%	13.7%	13.40%

City (Ranked By Population)	State	Calendar Year 2011	Calendar Year 2012	June 30 Trailing 12 Months
11. Jacksonville	FL	8.4%	8.8%	9.10%
12. Indianapolis	IN	8.1%	10.2%	8.70%
13. San Francisco	CA	12.5%	13.4%	13.20%
14. Austin	TX	9.1%	10.4%	10.10%
15. Columbus	OH	10.4%	10.4%	9.80%
16. Fort Worth	TX	8.7%	10.1%	9.80%
17. Charlotte	NC	8.9%	10.0%	10.70%
18. Detroit	MI	10.4%	11.6%	11.10%
19. El Paso	TX	8.3%	8.7%	9.40%
20. Memphis	TN	9.1%	10.3%	8.60%

City (Ranked By Population)	State	Calendar Year 2011	Calendar Year 2012	June 30 Trailing 12 Months
21. Baltimore	MD	10.6%	12.0%	12.60%
22. Boston	MA	11.2%	11.4%	11.40%
23. Seattle	WA	10.8%	11.3%	10.10%
24. Washington	DC	11.4%	12.6%	11.30%
25. Nashville	TN	9.4%	9.1%	7.90%
26. Denver	CO	9.1%	9.1%	9.30%
27. Louisville	KY	8.3%	9.4%	10.40%
28. Milwaukee	WI	10.9%	11.9%	11.40%
29. Portland	OR	10.4%	11.4%	10.90%
30. Las Vegas	NV	9.9%	10.0%	8.70%

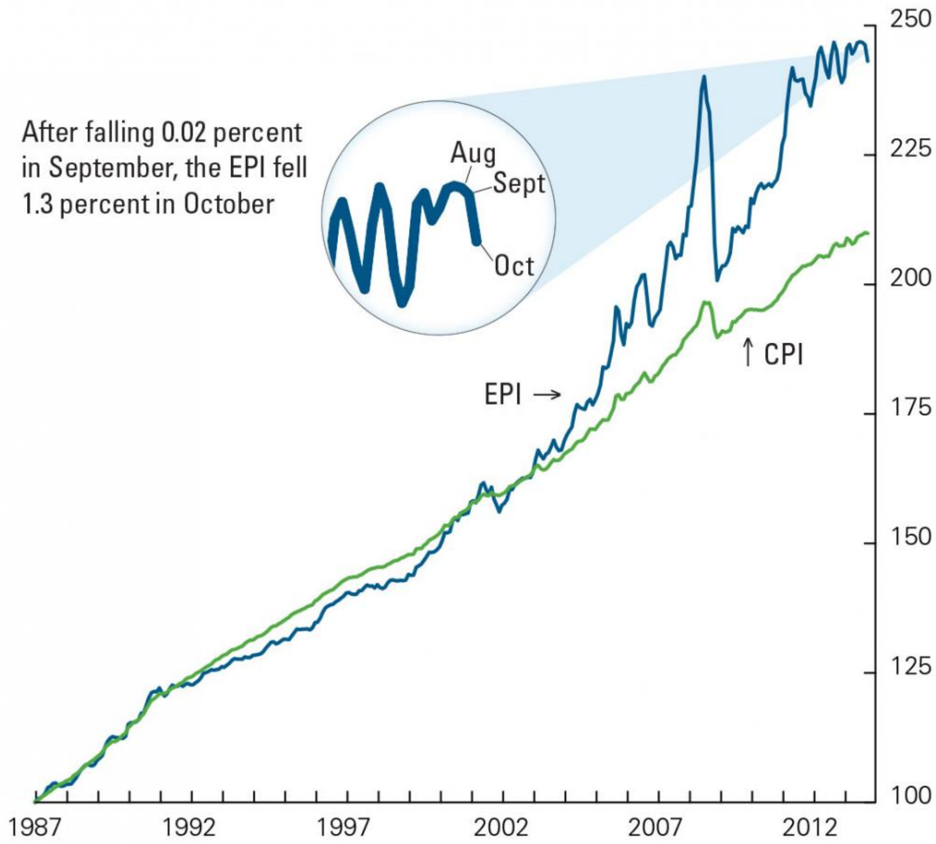
(cont pg.31)

Is Inflation Understated? (cont)

3) The EPI (Every day Price Index):

As you can see in the following chart, the CPI and EPI tracked relatively closely until the early 2000s. At that point in time, the 2 measures began to diverge. Since 1987, the EPI and CPI have increased by approximately 140 and 110 percent respectively. In other words, the EPI suggests that cumulative inflation from 1987 to the present is 30% higher than the CPI would suggest.

Chart 1
Prices Over the Long Term
EPI vs. seasonally adjusted CPI (Jan 1987=100)



The EPI is a proprietary index of AIER. The CPI is produced by the Bureau of Labor Statistics.

(cont pg.32)

Is Inflation Understated? (cont)

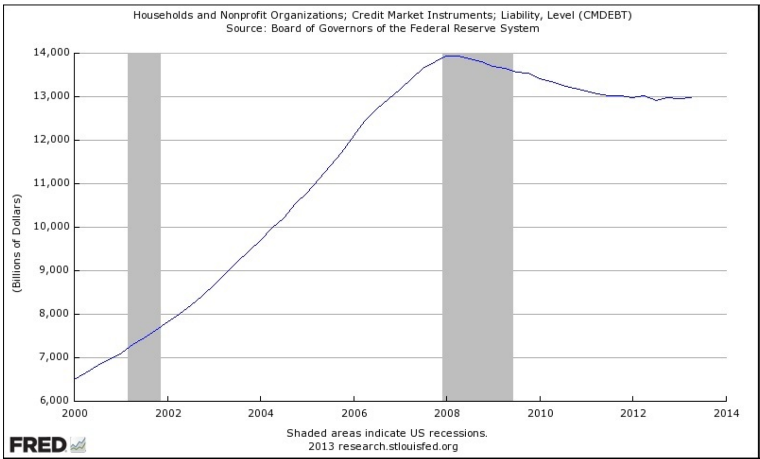
4) CONCLUSION

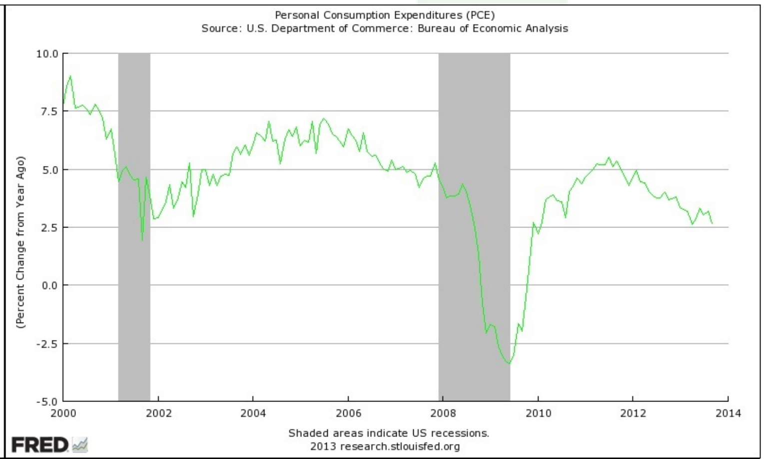
Inflation is higher than the CPI says that it is and most people are aware of that. If you ask your friends and family whether or not they've noticed a general increase in prices then they'll say yes. As noted above, both food and beverages and energy costs have risen in price dramatically. Why is that important? Because the majority of people are exposed to one or both of those costs on a regular basis.

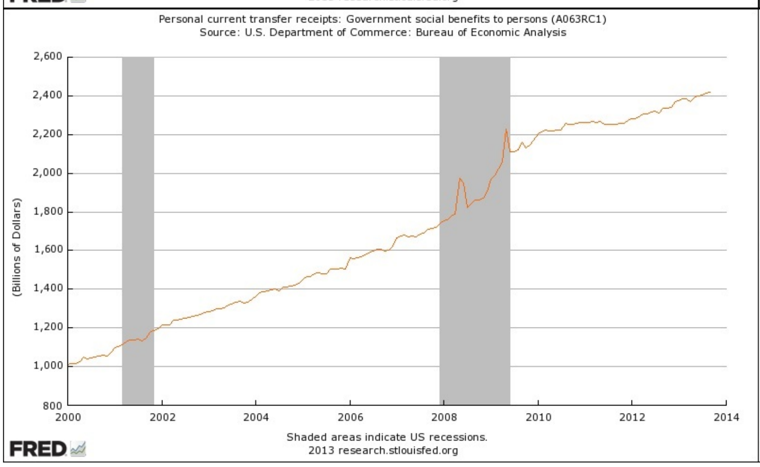
You can argue the magnitude of the inflation understatement but you can't argue that the official numbers are accurate.

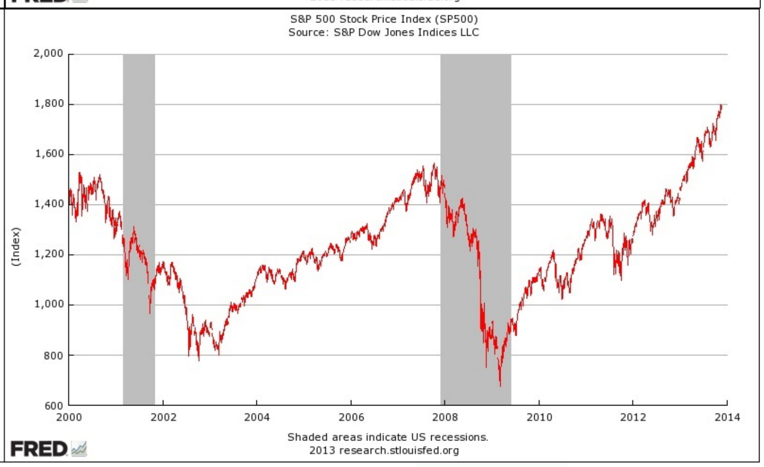
Under reporting inflation has led to many predictable outcomes.

Americans are accumulating debt, reducing their spending, relying on government transfers, and searching for yield because the cost of living is going up.









(cont pg.33)

Is Inflation Understated? (cont)

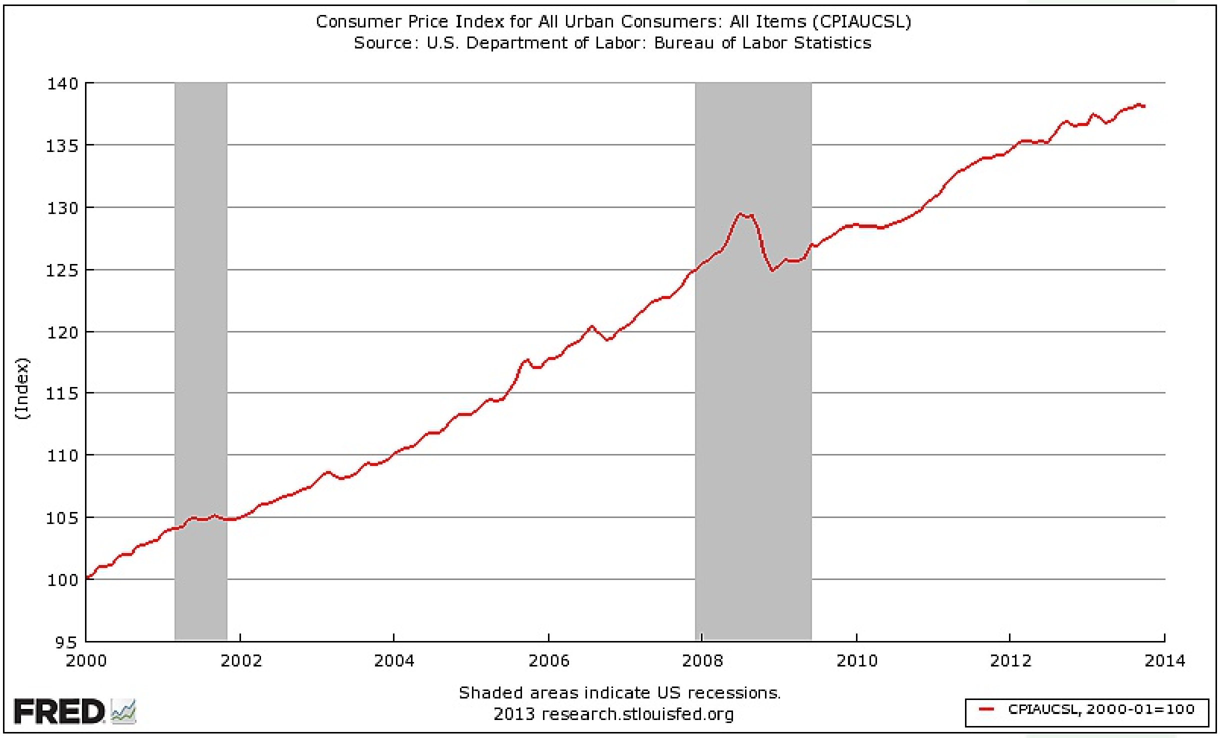
A repressed CPI also has many effects on the financial markets.

1) It provides justification for artificially low interest rates and QE
2) It leads to the perception that the USD is holding its value and
3) It leads to overstated real returns in stocks and especially bonds

In conclusion, inflation is the means and a wealth transfer from poor and the middle class to the rich is the end.

Don't be fooled by people who claim that there's no inflation.

Although disinflation is – at present – a real risk, cumulative inflation is still drastically reducing the consumer's purchasing power.



Bonus – more on inflation:
"the main issues with the CPI and why it's not correct"
"the CPI and it's problematic issues"
"inflation propaganda exposed"
"Ron Paul exposes the fed-driven erosion of US living standards"

Shane Obata-Marusic

A graduate from the University of Western Ontario, I am actively pursuing a career in the markets with a focus on macroeconomics. Having completed the Canadian Securities Course and the CFA level 1, I am seeking any opportunities. Previously I have researched and written reports as an Equity Research Intern for Euro Pacific Canada (Toronto).

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Need To Know
Technical Analysis

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S&P Long-Term View
Elliott Wave Count

Boundary Conditions

Channels & Regressions

Gann Analysis

S&P Long-Term View II

as of Friday November 29th, 2013

S&P Weekly Long Term View

The chart of the weekly long term perspective above is the view we have been following in our inter-issue updates for some time now.

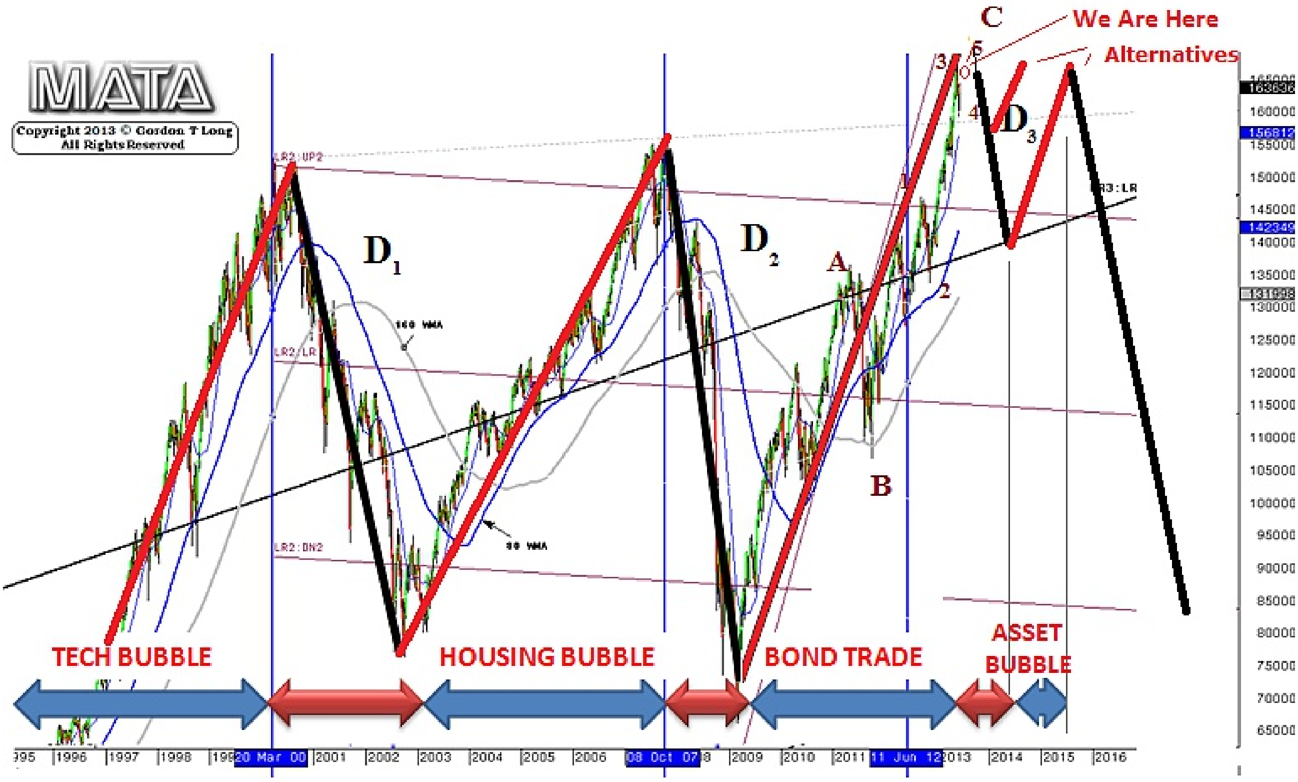
The purple channel originates from the lower trend support. The lower trend support starts back in 1982 (not shown) and extends as we can see it.

We can see the next potential target at the channel top. The current red wedge pattern the market has been lifting in since about 2009 hits the upper channel where we can also see a Fibonacci cluster present. Also very close by is the next Fibonacci circle.

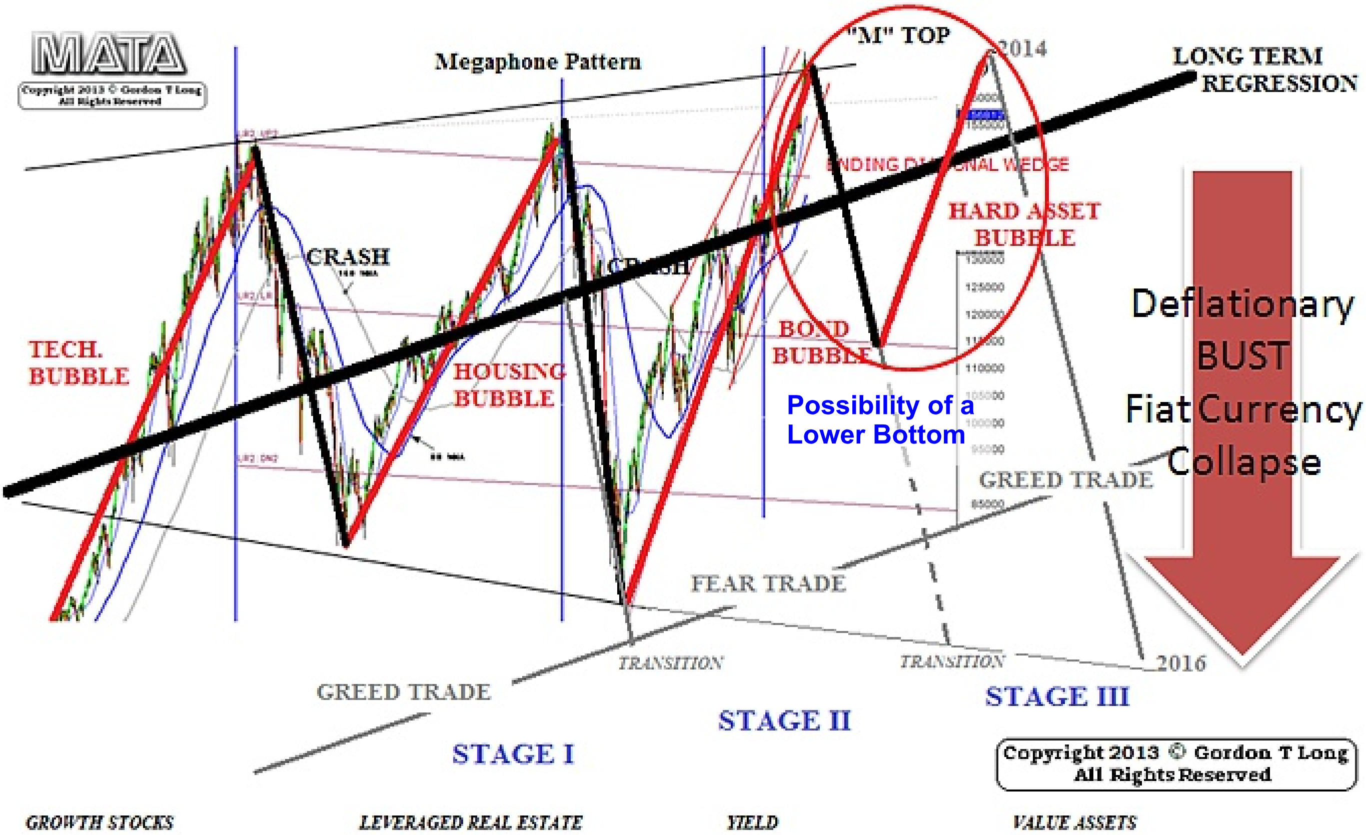
These all come together in roughly the same area and **suggest the market could lift as high as 1920.00, or slightly higher.**

The red wedge has been lifted out of and the market has been increasing in velocity (getting steeper). The break from the pattern had the market lift to the next resistance level (Fib). Currently watching lower time frames to see if the market will push to the next resistance or consolidate / pull back from here.

S&P Long-Term View III



YET ANOTHER POSSIBILITY IF COORDINATED CENTRAL BANK ACTIONS ARE DELAYED



S&P - A Closer Look *Daily View* as of Friday November 29th, 2013

Currently sitting at Fibonacci levels, the next resistance level (Fibonacci Cluster) for the market can be seen at 1,835.50. While the yellow highlighted Fibonacci level marks a technical trigger consideration, the blue dashed s/r also needs to be watched. Given the current pattern we would expect to see any further lift continue to bounce off (consolidate from) the blue dashed s/r. Breaking through this would be another TC as it would be an indication the market is continuing to accelerate (getting steeper).

If resistance is found, there is potential for the market to drop back to the red dashed s/r (and lower). The solid blue s/r has been highlighted as a TC: we can see it was the support for the current lift. Breaking back through this likely means there will be more down to go. Several technical tools can be seen prior to this, and they offer more aggressive TC's for shorter term move considerations.

The W%R being lifted over the -20 level indicates positive pressure, and the trend can be expected to continue until we see it drop back below the -20. Note that it has turned and is warning of weakness coming back and that we could see the -20 level break. However, until it actually does break, a positive trend remains.

Market Drivers (Macro)

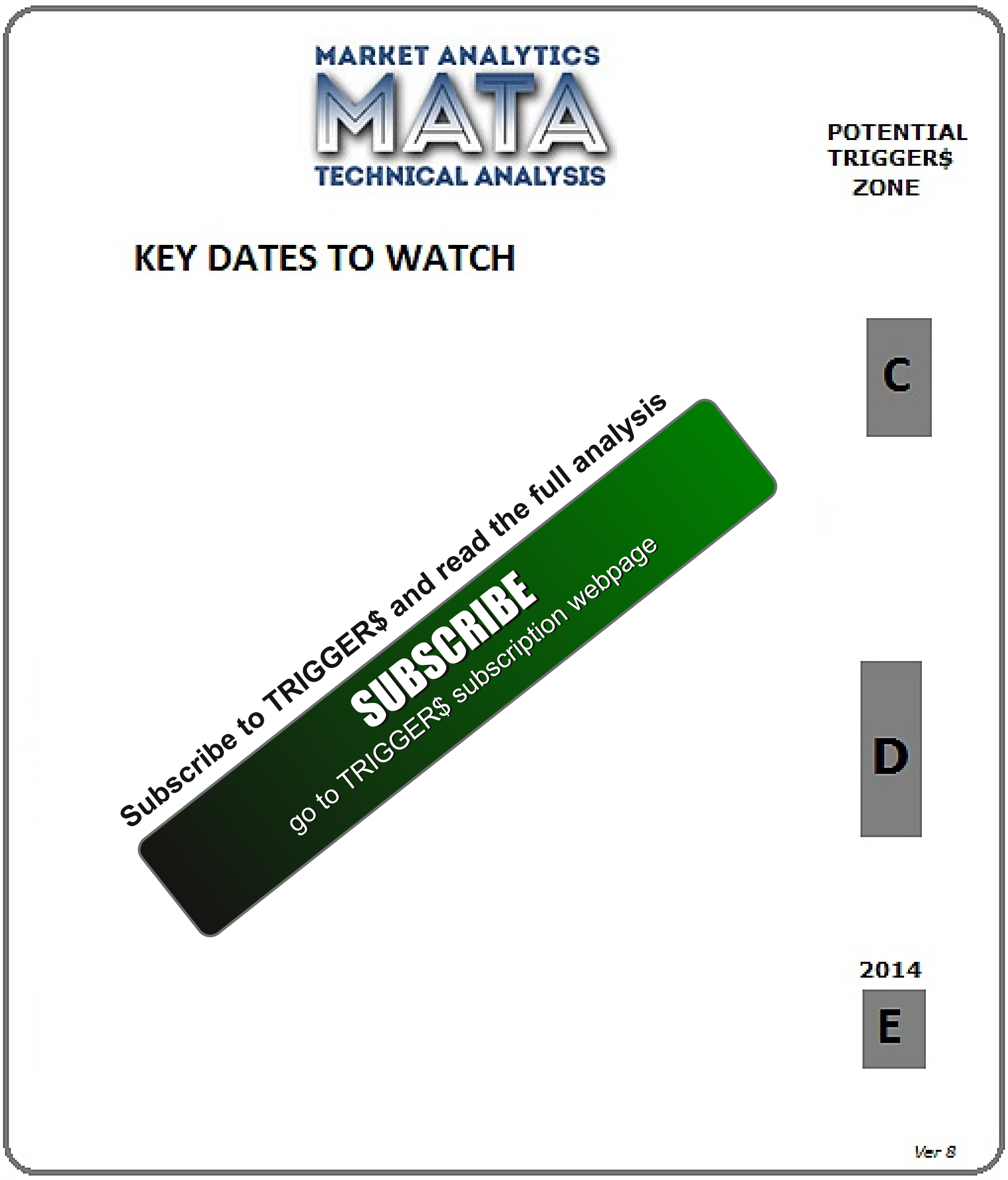
The current Market Drivers are show to the right.

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.

MATA TRIGGER$ ZONES *Key Dates to Watch*



The MACRO TRIGGER$ Zones are supplied to better give subscribers a clearer warning of potential MACROECONOMIC shifts by large Institutional money.

The Zones represent times when a reversal may occur in the BIA$ towards institutional players placing margin & leverage (RISK-ON) or reducing their margin and leverage (RISK-OFF). Additionally it reflects their potential Bia$ towards cross-market / multi-market hedging.

These flow changes are often correlated across markets globally and are most easily recognized from the weekly charts which institutions focus on due to the size of their portfolio repositioning requirements.

note that the MATA ZONES (C,D,E) are identified on the charts

see MATA DRIVER$ & BIA$ for the expected impact on each market; these are also represented on the charts via corresponding colour zones.

MATA DRIVER$ & BIA$

MARKET ANALYTICS MATA TECHNICAL ANALYSIS	REVERSAL ZONE C		REVERSAL ZONE D		REVERSAL ZONE E
S&P 500	BLOWOFF	Extending / FINDS AN INTERMEDIATE TERM LOW WITHIN A CYCLICAL BULL MARKET		END OF CYCLICAL BULL MARKET SECULAR BEAR MARKET RESUMES	
VOLATILITY					
FIAT CURRENCY YEN INDEX EURJPY EURUSD USD INDEX					
HARD CURRENCY GOLD OIL COMMODITIES					

MACRO TRIGGER$ ZONE$

Macro Trigger$ Zone$ identify transitions in risk behavior often labeled Risk-On, Risk-Off. Like water turning to ice or steam, this action is slow at first then abrupt. The exact timing appears random. Global interconnected market relationships adjust at various speeds often leaving the low capitalization, low volume equity markets as the last to shift compared to the massive debt market and even larger currency markets.

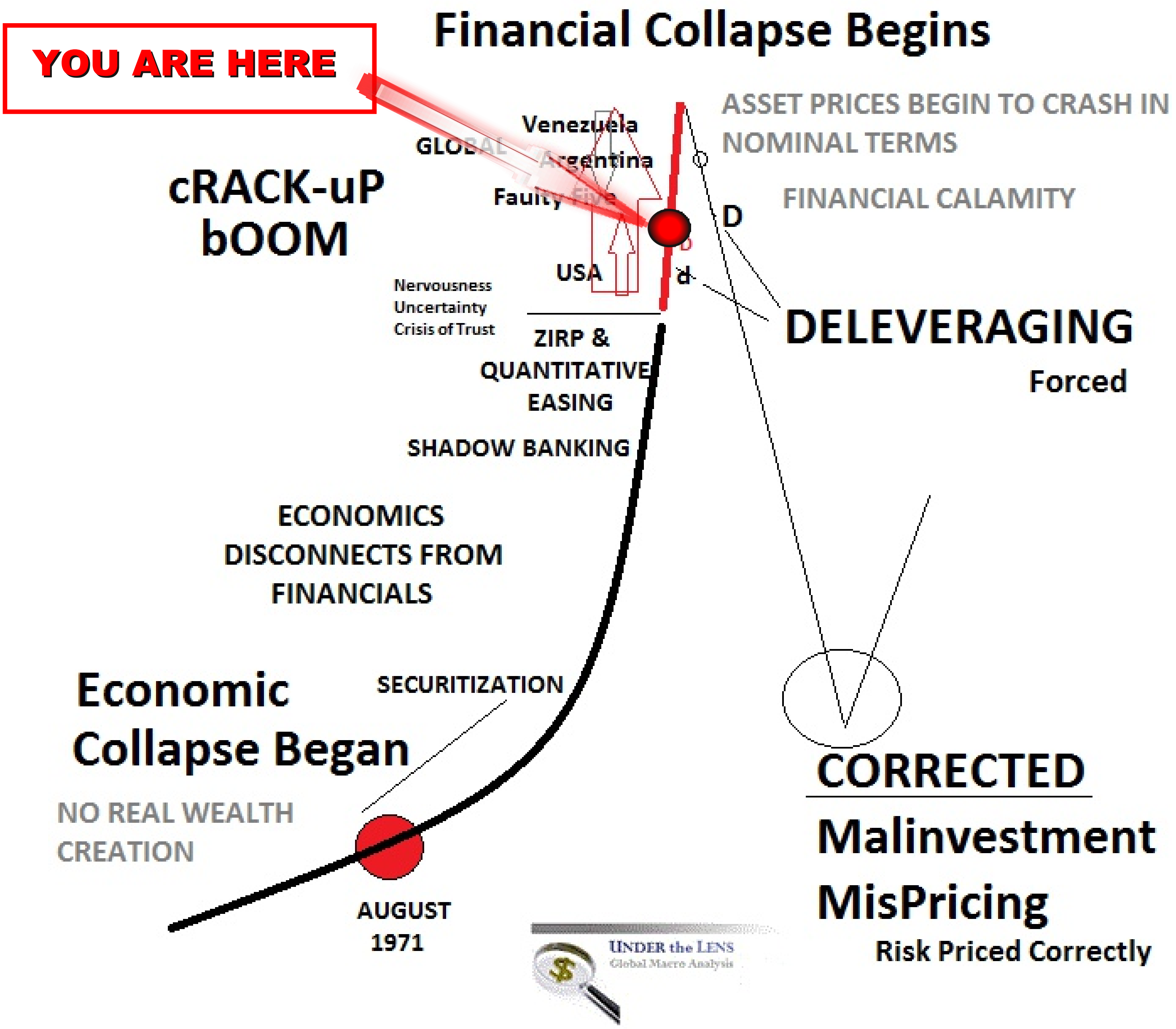
Macro Trigger$ Zone$ attempt to capture these potential macro shifts in trading bands or zones. It must be understood that equity markets are influenced in the short term by sentiment, in the intermediate term by risk and only in the longer term by the macro and valuation fundamentals.

However, Macro Trigger$ Zone$ transitions are often: 1.The largest moves, 2.Most predictable, 3.Identified on Weekly and Monthly technical chart, 4.Institutional and Fund adjustments, 5.The most profitable.

MARKET ANALYTICS MATA TECHNICAL ANALYSIS	YEN INDEX	EURJPY CROSS	EURUS$ CROSS	US$ INDEX
Technical Pattern				
BIA$				

Seldom do these Currency Crosses align with such clear TRIGGER$. This suggests a strong CURRENCY MARKET adjustment is near.

MATA CONCEPTUAL SEQUENCE OF EVENTS



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MELT-UP MONITOR:

A Regression-to-the-Exponential Mean Now Required

Gordon T Long

EXPONENTIAL MAREKT PROFILES HAVE EMERGED
WE ARE HERE
TRADITIONAL REGRESSION-TO-THE-LINEAR MEAN REQUIRED
AN ILLIQUID NEAR TERM MELTUP PROFILE
CARRY TRADE CONSOLIDATION DRIVER:
Euro Likely to Weaken Temporarily Relative to Yen
STOXX CHART – FIBONACCI TIME EXTENSIONS
THE ONLY QUESTION : WHO IS LEFT TO BUY THIS S&P 500 MARKET?
COMPLACENCY NOW PALPABLE
EUPHORIC LEVELS EXCESSIVE
TRADING THE SHORT TERM "PRESSURE RELIEF" TRIGGER$

(cont. pg.50)

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The Vault
Currencies & Metals

Silver, Gold
EUR/JPY
US$, EUR/USD

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SILVER

as of Friday November 29th, 2013

Long-Term View - *Daily*

Consolidation Continues
The large black wedge pattern that can be seen to have developed since 2003 says that silver may still need to have another drop to reach the wedge bottom support. A potential HPTZ has been marked where we can see several technicals coming together around $14.00. Currently in a consolidation, there may be still more up, potentially 1 more wave, to complete this in the short term, before the market looks for lower support.

Near-Term View - *Daily*

The inlay shows what we had given last month. The market followed the red path, exactly (so far), and now sits on the grey support / resistance zone. An **ABC** count has been marked on as a potential perspective for the current consolidation. Yellow highlights mark the significant technical trigger considerations (TC's). More aggressive TC's can be seen (grey arrows), however **B** may not be in and could move to the grey dashed s/r that marks the previous low. IF it breaks through the lower yellow TC then the consolidation has likely ended and we will not see another lift. The W%R is at lower extremes and needs to lift back upwards if we are to see a **C** wave.

GOLD as of Friday November 29th, 2013

Long-Term View - *Weekly*

Near-Term View - *Daily*

GOLD BONUS - LONG TERM SUPPORT CONSIDERATIONS

Long-Term View - *Weekly* as of Friday November 29th, 2013

EUR:JPY as of Friday November 29th, 2013

Long-Term View - *Daily*

Near-Term View - *Daily*

US$ as of Friday November 29th, 2013

Long-Term View - *Weekly*

Near-Term View - *Daily*

EUR:US$ as of Friday November 29th, 2013

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DRIVERS
MATA / GMTP

The Carry Trade Driver$
10 Year US Treasury Note

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The Carry Trade Driver$

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MEDIA MATRIX
& General Reality

QUANTS & High Frequency Trading

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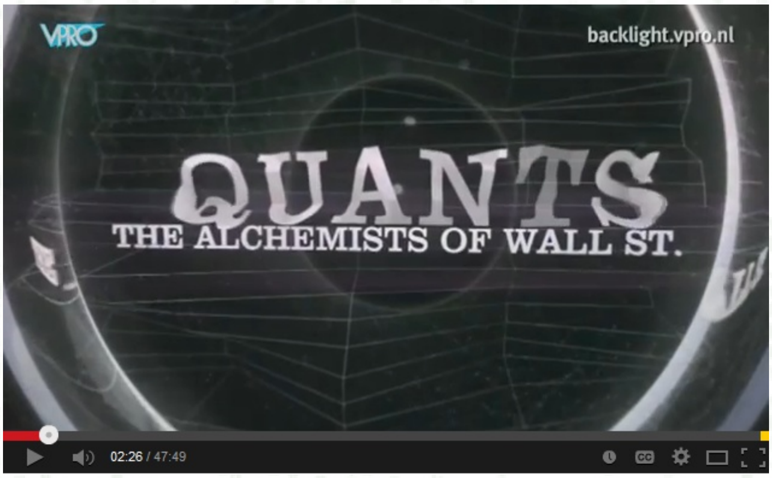
This month's Media Matrix brings three mini-documentaries (each less than 60min) about High Frequency Trading to your attention. Discussion from the QUANTS themselves about trading nanoseconds and the recent flash crashes experienced on Wall St.

Quants: The Alchemists of Wall Street



(select image to watch on YouTube)

Quants are the math wizards and computer programmers in the engine room of our global financial system who designed the financial products that almost crashed Wall St. The credit crunch has shown how the global financial system has become increasingly dependent on mathematical models trying to quantify human (economic) behaviour. Now the quants are at the heart of yet another technological revolution in finance: trading at the speed of light.

What are the risks of treating the economy and its markets as a complex machine? Will we be able to keep control of this model-based financial system, or have we created a monster?

A story about greed, fear and randomness from the insides of Wall Street.

(cont pg.73)

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Money & Speed: Inside the Black Box

(select image to watch on YouTube)

Money & Speed: Inside the Black Box is a thriller based on actual events that takes you to the heart of our automated world. Based on interviews with those directly involved and data visualizations up to the millisecond, it reconstructs the flash crash of May 6th 2010: the fastest and deepest U.S. stock market plunge ever.

Money & Speed: Inside the Black Box is developed by filmmaker Marije Meerman in close collaboration with design studio Catalogtree. This explorative documentary is a marriage of strong storytelling and meticulous visual analysis. A rare opportunity to experience what is happening inside the black boxes of our rapidly evolving financial markets.

The Wall Street Code

(select image to watch on YouTube)

A thriller about a genius algorithm builder who dared to stand up against Wall Street. Haim Bodek, aka The Algo Arms Dealer.

From the makers of the much-praised Quants: the Alchemists of Wall Street and Money & Speed: Inside the Black Box. Now the long-awaited final episode of a trilogy in search of the winners and losers of the tech revolution on Wall Street. Could mankind lose control of this increasingly complex system?

END

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Disclaimer

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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 posses. 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.

Forecasting to Trade: TIPS & TRICKS

Trading Technical Triggers II

Part I of this topic can be found in the October 2013 issue of TRIGGER$ Traders Mentor.

In response to multiple readers' requests, I am revisiting Technical Triggers this month. Our inter-issue updates service has gone through some "overhauling" recently and I am going to take this opportunity to explain the new charts, as well as how they should be read for technical trigger considerations.

The Chart

For those of you who have been following us now for some time, you should be able to attest to our continued efforts to improve upon what we are doing. While this is part of the process to provide better information and services, it is also done for our own benefit as we continue to try and "beat" the markets ourselves.

Below *(next page)* is the new chart format. The most obvious change is the move back to using one chart per time frame instead of two. While the previous format did allow a good view of the separate tools and what the market was doing with each, we now have a clearer perspective of their confluence and potential targets.

(cont.pg.50)

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Trading Technical Triggers II (cont.)

1 SUPPORT / RESISTANCE	solid blue	135.9823	HPTZ	137.7629 s/r's
SUPPORT / RESISTANCE	black dash	130.3908		127.8946 grey s/r zone

CHART 1

1
Significant Technical Trigger Considerations (TC's). Tool & Market level identified above.

2
High Probability Target Zones (HPTZ)

3
Gordon T Long's MATA Trigger Zones

C Oct 29-30 FOMC Meeting; Oct 31 Mutual Fund Year Ends, Nov 3 Bradley Turn
D: Dec13 US Budget Conference (Debt Ceiling); Dec17-18 FOMC Meeting (Yellow Era Begins); Dec 20th Quadruple Witch

[1] Significant Technical Triggers Considerations

These are identified with a yellow highlight. The tool that is highlighted and the market level of the technical Trigger Consideration (TC) are given in the box above the chart. This identifies the market level for the TC as well as the market level and technical tool(s) for the likely target.

Note that there is an arrow sitting on both yellow highlighted TC's. The base of the arrow will sit on the TC itself, and the point will be on the target level / technical tool / HPTZ that we are expecting the market to move to once the TC has broken.

[2] High Probability Target Zones (HPTZ's)

These identify places where there is a confluence of technical tools; and where market projections align with these. Together they give us HPTZ's to look towards and consider as the market moves through the technical tools. For whatever reason, the market seems drawn to these areas of high confluence (multiple tools & projections).

(cont.pg.51)

Trading Technical Triggers II (cont.)

[3] Gordon T Long's MATA Trigger Zones

These are provided from Gordon's MATA research and are a new addition to the charts. His description:

> ***"Macro Trigger$ Zone$ attempt to capture potential macro shifts in trading bands or zones. Global interconnected market relationships adjust at various speeds often leaving the low capitalization, low volume equity markets as the last to shift compared to the massive debt market and even larger currency markets. However, Macro Trigger$ Zone$ transitions are normally the most profitable, least risk for traders."*** ***- Gordon T Long***

For more infornation on ***MATA TRIGGER ZONE$*** and ***MATA BIA$*** see thier write-up / decription on pages 46-47 of this issue, in thier appropriate sections.

Technical Trigger Considerations

The chart(s) may look a little "messy", especially for those looking for the first time. I am attempting to keep them as "clear" and "clean" as possible; however it's not as easy as it may sound!

The process of the HPTZ Methodology sets up significant market levels and supports. This is done to identify areas of confluence and identify targets. All the technical tools seen on the chart have some importance as they are all derived from previous support / resistance. Trying to choose what ones to remove, so that the chart may be a little less cluttered, is taking some practice!

What we are left with on the chart however, should be the tools / technicals that will cause a reaction when the market reaches them. What the exact reaction will be in not known; however the point is that once the technical has been moved away from, we should see the market moving to the next.

This allows the market to be followed as it moves from one level and technical to the next.

If we look back at our **Chart 1** example, we can see multiple supports, resistances and other tools that can provide TC's as the market moves between them. The Yellow Highlighted TC's are placed on the significant market levels and technicals that will most likely represent a "break-out" for the market of some form. These could just as easily hold the market and not break (i.e. channel)… which can also provide a TC – a bounce from a significant technical is just as important as a break. For a channel it would mean that the channel is holding and we would then look to the opposite channel for a market target consideration.

Between the yellow highlighted TC's multiple technicals can be seen. As these are all significant, and have been respected in the past, we can follow the market as it moves from one to the next, with our identified HPTZ's in mind.

(cont.pg.52)

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Trading Technical Triggers II (cont.)

A strategy to consider is dropping down a time frame or two from the one you are following the market on. The next chart shows us the EUR:JPY again, only this time we looking at the 60min, a week and a 1/2 later.

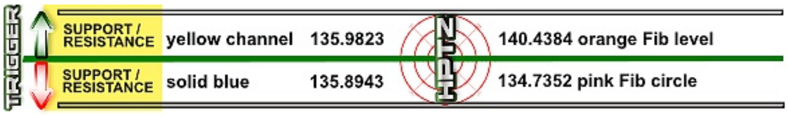

CHART 2

Grey arrows show potential aggressive TC's for short term moves, from one technical to the next.

Note black dashed channel and green wedge patterns. These are not always easily identified on the Daily chart.

Similar to finding patterns on the 60min not seen on the Daily, dropping down to lower time frames again can reveal break out pattern opportunities when the market reaches a technical level identified by the grey arrows.

The black arrow shows where the market had been as of the 20th (Chart 1). The market pushed up through the green wedge pattern (break out) and moves to the identified HPTZ, where it finds resistance and forms a channel (black dashed). This is then also broken out of and the market lifts through the next significant target level (Fib cluster), where it has now pulled back to.

I have previously expressed the benefits of using several time frames when assessing a market and this is another good example of why it is done. Just as we can see patterns here on the 60min chart that we may not be able to recognise on higher time frames; lower time frames will show us the market reaction with a consolidation or reversal pattern when it reaches a significant technical tool. We don't really even need to identify the type of pattern (reversal / consolidation) as long as we can identify its boundaries – i.e. wedge shape. A break out of the pattern can then be followed, up or down, as we then look back to the higher time frame for reference on the next technical tool to come.

In the example on **Chart 2** above I have purposefully added a series of grey arrows to emphasize the point of moving from one technical to the next. Again, this works because we have previously identified the significant market supports / resistances / technicals / levels when we first set up the chart to identify HPTZ's. We should expect the market to continue to respect these in some manner and can follow along with it as it moves from one to the next.

(cont.pg.53)

Trading Technical Triggers II (cont.)

The Yellow Highlighted TC's are significant and of less risk because they identify a likely market break out and potentially the start of the next market wave.

The remaining technical tools are also potential TC's, but are riskier for long term target considerations as the highlighted TC's could stop and reverse the market, not allowing it to move on to the target considerations. They can also be considered for short term moves and following the market from one technical to the next.

The point of all of this is to follow along with the market without any bias or personal stake. This methodology may take a little while to wrap your head around if it is a new concept for you, however by being a completely technical methodology, levels of risk are removed (i.e. your input). Rather than guessing which way the market will move, you can follow along with what it actually does, trading it as your own personal style & plan dictates.

Still have questions? Shoot me an email, I will do my best to answer them!

Thank-you &
Good Trading!

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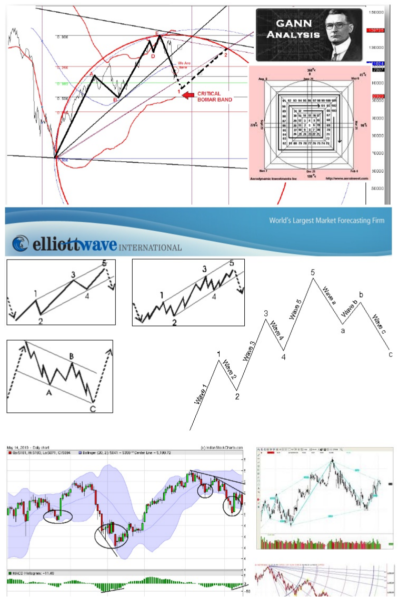

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What do you think of the new chart format and information provided? What else would you like to be seeing?

Also…

If I were to add one or two charts to the current updates, what ones would you like to see?

Always looking for input and constructive criticism! If you have an idea or comment, please feel free to let me know what is on your mind!

Thank-you &
Good Trading
GP

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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.

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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.