TRIGGERS MEDIA PUBLICATIONS INC.

TRIGGER$

Economic & Technical Analysis for the Active Trader

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NOVEMBER 2015
Vol.V, Issue #11
Public Edition

www.GordonTLong.com

Gordon T Long
Market Research & Analytics

Public Edition

Canary In A Coal Mine

RECESSION RUMBLINGS

CREDIT LEADS:
Equities Will Be Wagged!

TECHNICAL TRADING:
Examples

USD, GOLD, SILVER, EURUSD.... and more!

November 2015 - Public Edition

TRIGGER$

Economic & Technical Analysis for the Active Trader

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Public Edition

Welcome to ***TRIGGER$ Free Public Edition*** of our November 2015 publication.

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

At Least 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 Mentor*** 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!

use the Public Edition Contents to navigate this issue

FREE MEMBERSHIP REGISTRATION! GO NOW!

Contents
(Public Edition)

Full Content | *Partial Content*

1 **Subscribers Welcome** — *Review Subscibers Welcome Message*

2 **Subscribers Contents** — *Review Subscibers Contents*

3 **Canary In A Coal Mine** — *Cover Story*

14 **The All Seeing Eye** — *On Market & Economic Indicators*

30 **Need to Know** — *Technical Analysis* — S&P Long Term Views; Targets; A Closer Look; MATA TRIGGER$ & DRIVER$

34 **The Vault** — *Currencies & Metals* — Silver, Gold, EUR/JPY, US$, EUR/USD

Contents
(Public Edition cont.)

Full Content | Partial Content

36 **DRIVER$** *MATA / GMTP* — *- feature article -* Credit Leads, Equities Will Be Wagged!

41 **RISK** *Assessment* — Slowing Economy Warning; QE vs. Negative Rates; VIX

43 **Media Matrix** *& General Reality* — China is About to Unveil Their Next FIve Year Plan

49 **Traders Mentor** *Technical Analysis & Trading Strategy Education* — Technical Trading: *Examples*

57 **Open Forums** *Letters, Comments, Discussion* — Under Development

Welcome! *(Public Edition)*
Contents *(Public Edition)*
2. Techni-Fundamentalism
13. Methodology
15. HPTZ Trading
48. Disclaimer
58. Classifieds

16 HPTZ Trading
Technical Analysis
Performance Overview

20 RECESSION RUMBLINGS
Gordon T Long

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

Public Edition

*Welcome to **TRIGGER$!*** **NOVEMBER 2015** ***Vol.V, Issue*** **#11**

Welcome to TRIGGER$ - more than just another trading magazine, each issue is a complete market report for your due diligence.

Another Great Issue!

Gordons Cover article take a look at Glencore and their downfall as just the beginning! His Feature looks at the signs for Recession Rumblings. Gordons 2nd feature looks at Credit & Equities: Equities Will Be Wagged!

Traders Mentor continues discussing Technical Trading with more examples.

S&P and other markets are hitting targets! See what comes next!
All our regular sections are here to add to your due diligence and market understanding.

Thank-you &
Good Trading!
Andrew J.D. Long, *MFTA*
" GoldenPhi"

TRIGGER$ Media Publications Inc.

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Technical Analysis: GoldenPhi & Gordon T. Long

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

use the Public Edition Contents to navigate this issue

3 **Canary In A Coal Mine**
Cover Story

14 **THE ALL SEEING EYE**
On Market & Economic Indicators
(various)

33 **NEED TO KNOW**
Technical Analysis
S&P Long Term Views; Targets; A Closer Look; MATA TRIGGER$ & DRIVER$

40 **THE VAULT**
Currencies & Metals
Silver, Gold, EUR/JPY, US$, EUR/USD

45 **DRIVERS**
- feature article -
CREDIT LEADS: *Equities Will Be Wagged*

50 **RISK**
Assessment
Slowing Economy Warning
QE vs. Negative Rates
VIX

57 **MEDIA MATRIX**
& General Reality
Slowing Economy Warning
QE vs. Negative Rates
VIX

63 **TRADERS MENTOR**
Technical Analysis & Trading Strategy Education
Technical Trading: *Examples*

70 **OPEN FORUMS**
Letters to the Editor
Readers Comments
Discussions
Coming Soon!

19 HPTZ Trading
Technical Analysis
Performance Overview

Welcome!
1. Contents
2. Techni-Fundamentalism
13. Methodology
18. HPTZ Trading
62. Disclaimer
71. Classifieds

23 **RECESSION RUMBLINGS**
Gordon T Long

Contents Page

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.

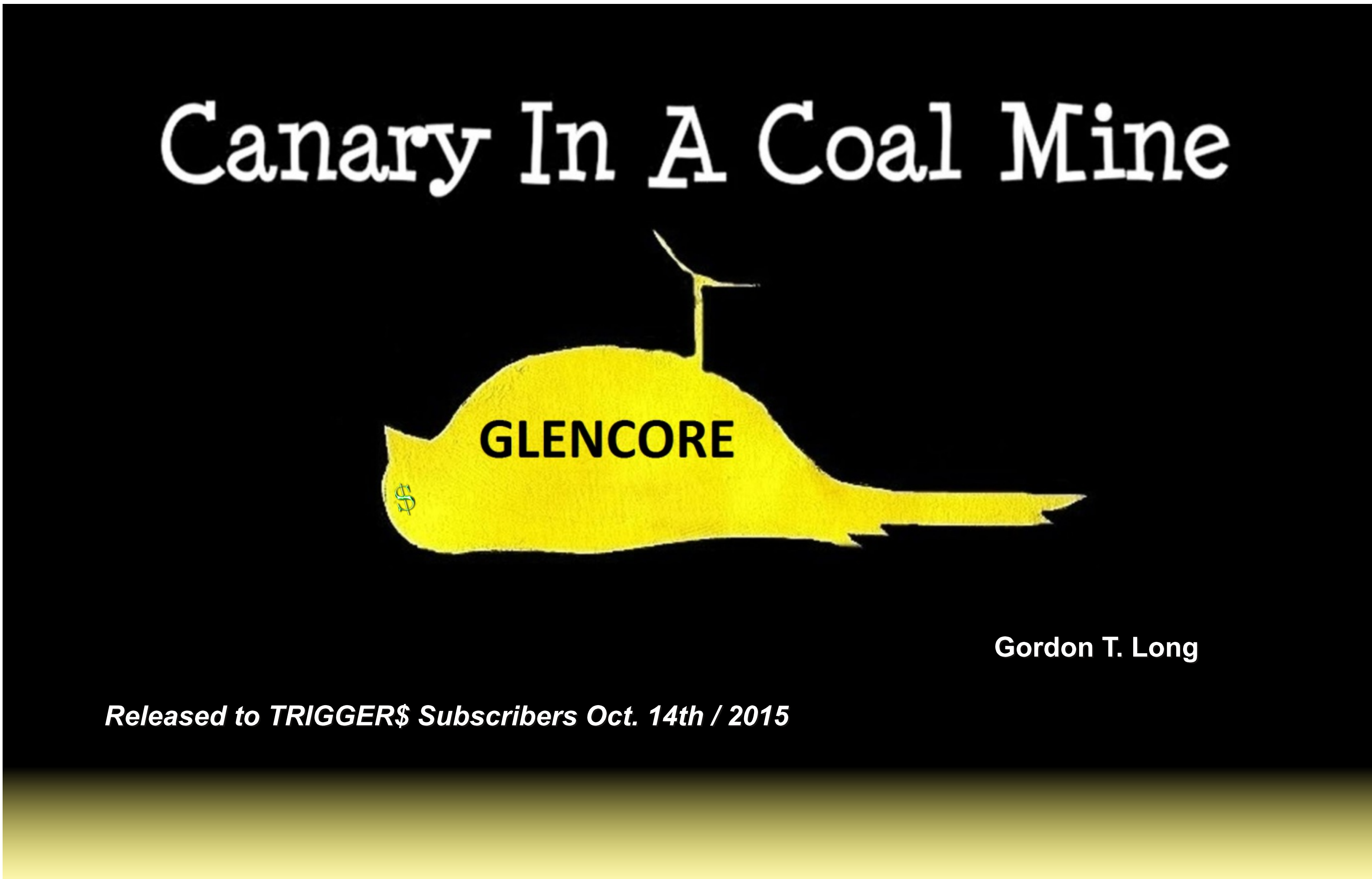
For the rest of us, TRIGGER$ offers a 'distilled' version of the 380 pages in a readable format for use in your daily due diligence. Read and understand what the professionals are reading without having to be a Professional Analyst or Technician.

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"



THE GLENCORE CANARY – The Corporate Debt Shocker

A HIGHLY LEVERED PLAYER – In a Highly Levered Industry Tied to a Highly Levered China

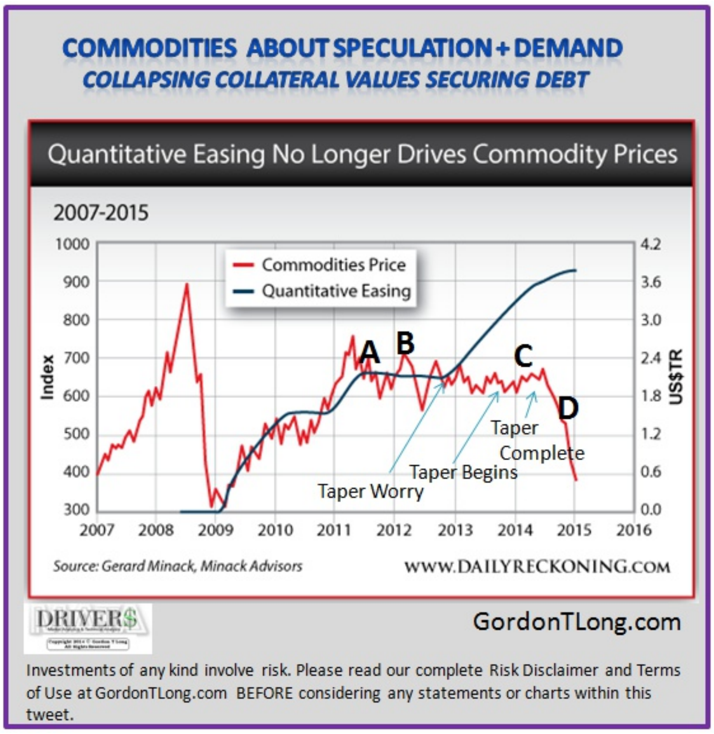
We have felt since the announcement by the US Federal Reserve of its “TAPER” program that an inevitable collapsing commodity market in Emerging Economies would be the catalyst for the next crisis. We concluded in our Thesis paper “The Globalization Trap” that a good proxy for a slowing China would initially be commodity prices and in turn the levered players behind the massive commodity run-up.

Make no mistake about it; China is in the process of a hard landing which is being once again temporarily camouflaged by credit expansion!

Buying the Credit Default Swaps of Commodity Trading Giant Glencore, has been an ideal way to trade the Chinese hard landing and there is a lot we can learn from Glencore about how the current environment will unfold.

(cont pg.4)

Canary In A Coal Mine (cont.)



A - Glencore Dips Below IPO Price On Second Day Of Trading,

B - $82 Billion Glencore Xstrata Megamerger Near,

C - Spot The Goldman And Glencore Aluminum Warehouses,

D - Depression-Level Collapse In Demand: In Historic First, Glencore Shuts Coal Mines For 3 Weeks

Glencore is currently the commodity trading firm getting most of the press because:

It is a Highly Levered Player, in a Highly Levered Industry, Tied to a Highly Levered China

Be aware however, that it could just as easily have been the Vitol Group, Trafigura, Gunvor Group Ltd Mercuria Energy Group, Louis Dreyfus Commodities or Noble Agri… and there are more.

This group alone has recently raised at least $125 billion of debt … Why?? What is the panic?

A TRADING DESK – Counterparty Risk

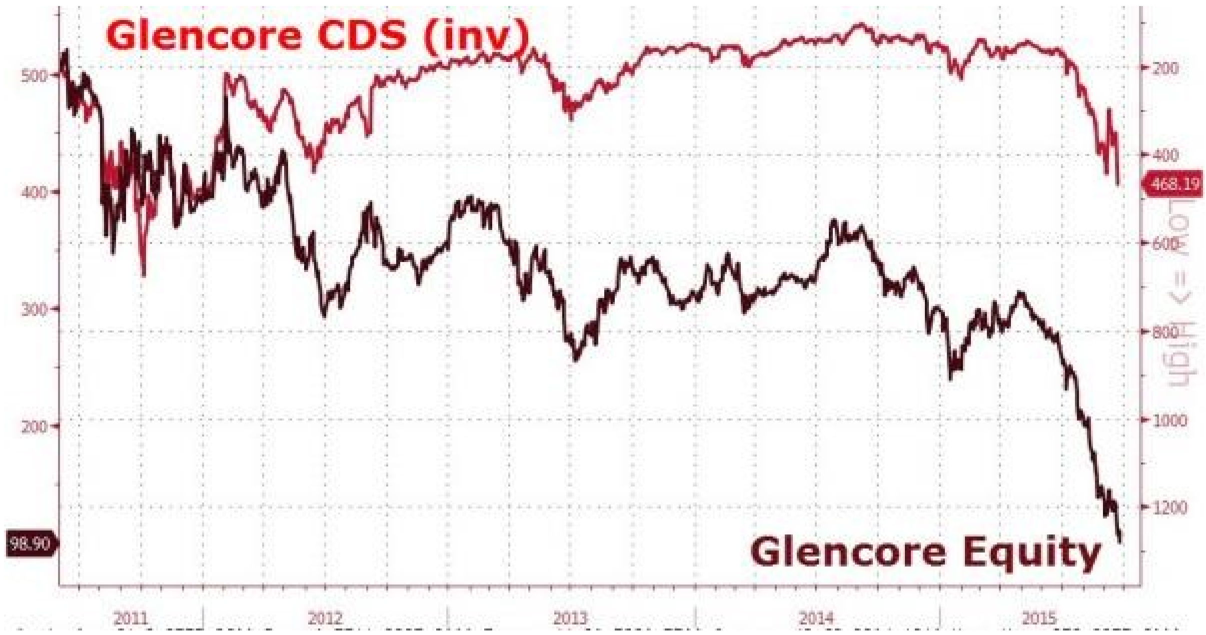
You must appreciate that Glencore for example is first and foremost a trading desk which serves as a counterparty with trillions in derivatives notional exposure to virtually every other commodity using and trading entity in the world.

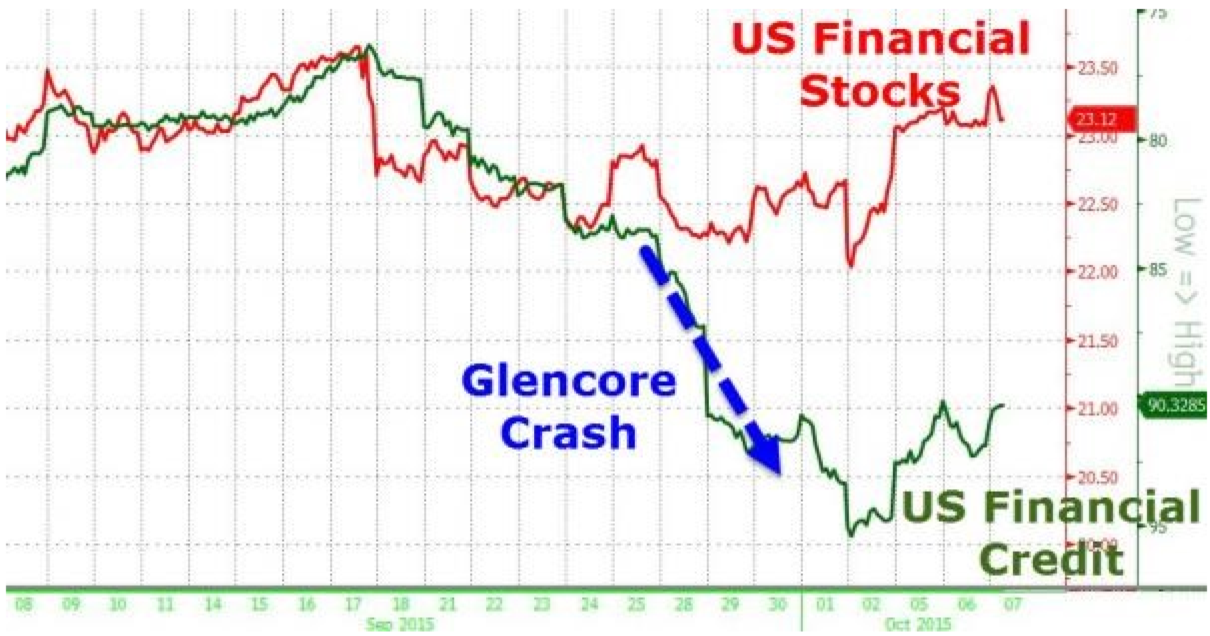
Why is Glencore's IG (Investment Grade) rating so critical?

Glencore is really not so much the Lehman as the AIG of the commodity world: without an investment grade rating, a self-reinforcing collapse will begin that could ultimately terminate Glencore's trading desk, in the process liquidating one of the world's biggest commodity trading counterparties.

(cont pg.5)

Canary In A Coal Mine (cont.)





ENRON – We Have Seen This Play Before!

The long story short: if and when Glencore loses its Investment Grade rating, it's more or less game over, if not for the company's already "shuttered" mining operation then certainly for its trading group, where having its bonds rated as junk level would lead to numerous collateral shortfalls and margin call waterfalls, reminiscent of the ratings agency downgrade of AIG that culminated with the US bailout of the insurer.

As I mentioned, commodity traders have raised at least $125 billion of debt, of which about $75 billion is loans. In other words, there is about $75 billion in secured debt, collateralized by either inventory and/or receivables collateral whose value has cratered in the past year and as a result the LTV on the secured loans has soared. It is this that is prompting the panicked banks to be more eager to provide funds to the suddenly distressed energy-trading sector than even the borrowers themselves.

(cont pg.7)

BitGold

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Instant conversion of digital value to physical value.

Free
BitGold Account, Vault Storage, Global Payments

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POWERONE CAPITAL MARKETS LIMITED
SANDSTORM GOLD
CLARUS SECURITIES INC.
GMP Securities Griffiths McBurney
CANACCORD Genuity
SOROS BROTHERS INVESTMENTS LLC

Canary In A Coal Mine (cont.)

A CONTROLLED DEMOLITION – *"Well-choreographed and carefully scripted"*

Zero Hedge recently reported that:

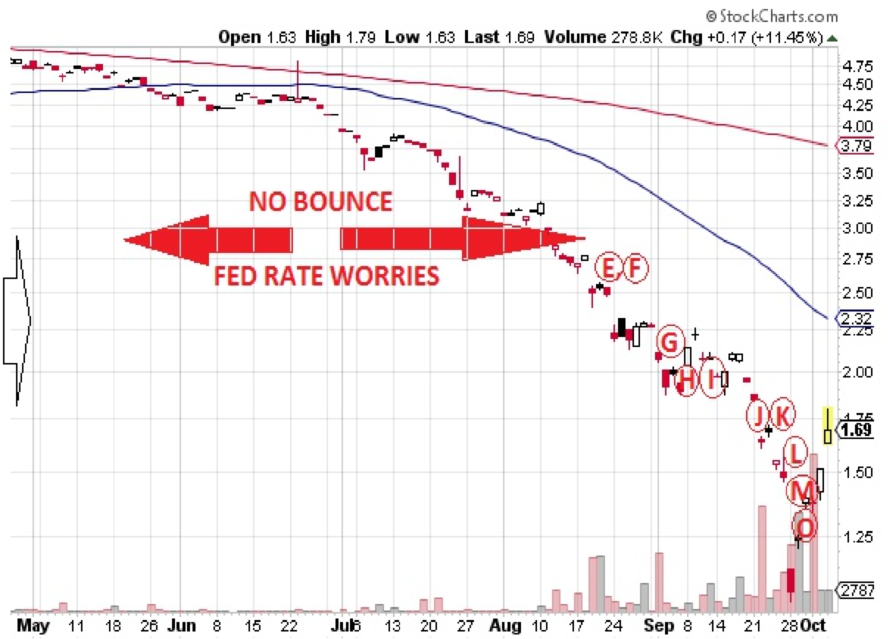
> "One of the more "unmentionable" conspiracy theories surrounding the demise of Lehman Brothers in 2008 is that this "shocking" event was in fact a well-choreographed and carefully scripted "controlled demolition", with the Lehman Bankruptcy - the event that officially unleashed the Great Financial Crisis - getting the express prior permission of both Ben Bernanke and Hank Paulson, a former Goldman employee, whose motive was the elimination of the one firm that was then Goldman's biggest competitor in the FICC space, and whose subsequent bailout of his former employer (Goldman Sachs and all other insolvent banks) would lead to the preservation of trillions in worthless equity courtesy of the biggest taxpayer funded bailout in history, and with billions in excess reserves parked on Goldman's balance sheet smoothing the bank's transition through a historic recession.

(cont pg.8)

Canary In A Coal Mine (cont.)

Fast forward to the recent surge in its Credit Default Swaps. A potential "doomsday" scenario for Glencore is now on the table, because the market suddenly realized that Glencore's most valuable asset, not its mines, or its trading operations, but its investment grade rating, could be stripped away.

If the company is downgraded from investment grade to junk, watch as the "commodity Lehman" scenario for Glencore, which much more than a simple copper miner just happens to be one of the world's biggest commodity trading desks, comes full circle leading to waterfall collateral liquidations and counterparty freeze-outs as suddenly the world is reminded that there is a vast difference between a real and a rehypothecated commodity, and that all collateral rehypothecation chains are only as strong as the weakest counterparty!



E - The "Best Way To Play The Chinese Credit-Commodity Crunch" Is About To Pay Off Big,
F - The Next Leg Of The Commodity Carnage: Attention Shifts To Traders - Glencore Crashes, Noble Default Risk Soars
G - The Beginning Of The End For Glencore, And How To Trade It
H - Glencore Capitulates: Scrambles To Avoid Default By Selling Equity, Dumping Assets, Cutting Dividend,
I - Glencore's "Doomsday" Plan Disappoints As CDS Resumes Rise; Question Emerges: "What Happens If Company Fails"
J - "Doomsday" Cometh For Glencore: Mining Giant's Default Risk Just Exploded Higher,
K- Is Goldman Preparing To Sacrifice The Next "Lehman",
L- Glencore Implodes: Stock Plunges Most Ever, CDS Blow Out To Record Up On Equity Wipeout Fears,
M - Commodity Carnage Continues Amid Fears Of Glencore Liquidation,
N - Glencore Default Risk Surges Above 50%,
~~O~~- With $19 Billion In Derivative Liabilties, Some Observations On Glencore's "Counterparty Risk"

(cont pg.9)

Canary In A Coal Mine (cont.)

Goldman, released a report which is essentially a blueprint for not only how to take away Glencore's precious investment grade rating, but taken a few steps further, how to unleash this cycle's commodity "Lehman event and taken to the extreme, how to "force" the Fed to finally unleash the helicopter money should Glencore's failure be the catalyst the pushes the entire world into a deflationary recession, if not outright depression.

Goldman said in a note titled "Much progress made but the song remains the same"

> We update our estimates for Glencore following the completion of its equity placement on September 16, in which it raised its target of $2.5bn. We also update our estimates to incorporate our commodity analysts' lower thermal coal forecasts and lower met coal forecasts which impacts **Glencore's 2016/17/18E EBITDA by c.15-18%... On lower estimates we reduce our 12-month price target to 130p (was 170p**).

Glencore has a few levers left – further lowering Capex, signing streaming deals and releasing more working capital. This would however take time.

From Goldman:

> Glencore's trading business relies heavily on **short-term credit** to finance commodity deals and its financing costs would increase if it were to lose its Investment Grade credit rating. In addition, it could even lose some counterparties due to increased counterparty risk.

What a junking of Glencore would do, is start a collateral demand waterfall cascade that the cash-strapped company simply would not be able to sustain.

Goldman explains just what would take for the Investment Grade trap to slam shut: **it would only take a c.5% fall in spot commodities prices for concerns about its credit rating to resurface.**

Goldman's straw man for the next mega bailout goes roughly as laid out here:

1. Commodity prices drop another 5%

2. The rating agencies get a tap on their shoulder and downgrade Glencore to Junk.

3. Waterfall cascade of margin and collateral calls promptly liquidates Glencore's trading desk and depletes the company's cash, leaving trillions of derivative contracts in limbo. Always remember: the strongest collateral chain is only as strong as its weakest counterparty. If counterparty liquidates, net exposure becomes gross, and suddenly everyone starts wondering where all those "physical" commodities are.

4. Contagion spreads as self-reinforcing commodities collapse launches deflationary shock wave around the globe.

(cont pg.10)

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Canary In A Coal Mine (cont.)

Exhibit 7: A 5% fall in spot commodity prices and flat spot FX rates would quickly see concerns over Glencore's credit rating resurface

Scenario 3: Glencore key leverage metrics using 5% lower than spot commodity prices and flat spot FX rates (2015E-18E)

Glencore's leverage metrics on Commods Spot less 5%, Spot Fx	2015E	2016E	2017E	2018E
Copper (US$/t)	5,392	4,835	4,835	4,835
Zinc (US$/t)	1,833	1,532	1,532	1,532
Thermal Coal (US$/t)	58	55	55	55
Oil (US$/bbl)	51	45	45	45
Total Capital (US$ mn)	139,172	135,949	134,453	133,477
Net Debt (US$ mn)	43,513	41,763	40,885	39,382
RMIs (US$ mn)	15,457	14,321	14,232	14,362
Discount rate for RMIs (%)	30%	30%	30%	30%
Net Debt ex-RMIs (US$ mn)	32,693	31,738	30,923	29,328
EBITDA (US$ mn)	8,051	6,567	6,425	6,501
EBIT (US$ mn)	1,517	275	-36	-264
Interest Expense (US$ mn)	1,343	1,301	1,259	1,213
FFO (US$ mn)	6,514	5,975	6,039	6,274
CFO (US$ mn)	6,982	5,577	5,545	5,713
Dividend (US$ mn)	2,387	0	-113	-388
Moody's & S&P Metrics (required ranges to remain Investment Grade)				
Net Debt / EBITDA (2x-3x)	4.1	4.8	4.8	4.5
Net Debt / Total Capital (40%-50%)	23.5%	23.3%	23.0%	22.0%
(CFO - Dividends) / Net Debt (25%-35%)	14.1%	17.6%	18.3%	20.8%
EBIT / Interest expense (4x-7x)	1.1	0.2	0.0	-0.2
FFO / Net Debt (25%-40%)	19.9%	18.8%	19.5%	21.4%

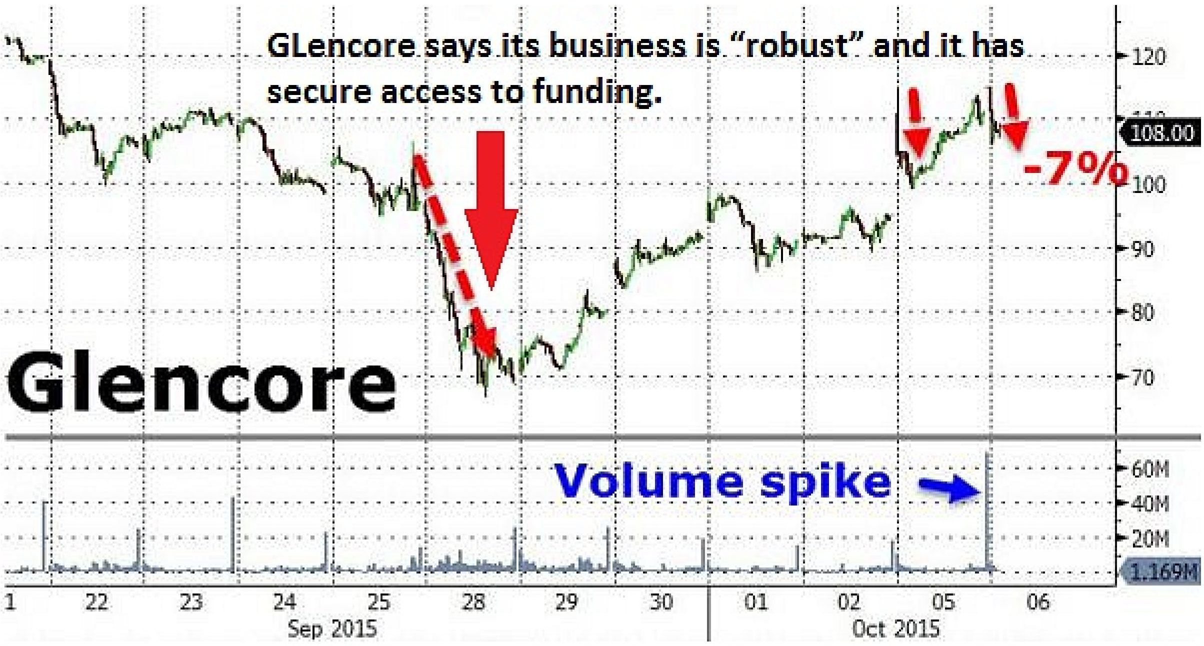
Source: Company data, Goldman Sachs Global Investment Research.

(cont pg.12)

Canary In A Coal Mine (cont.)

5. Fed and global central banks are called in to come up with a “more powerful” form of stimulus

6. The money para-drop scenario proposed by Citigroup , becomes reality



(cont pg.12)

Canary In A Coal Mine (cont.)

Stay tuned, things could get out of control fast!!

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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

Contents Page

QUARTERLY OVERBOUGHT CYCLES

MONETARY VELOCITY DECLINES AS EXCESS LEVERAGE WEIGHTS ON CONSUMPTION

CONSUMER SENTIMENT VERSUS S&P 500

FED BALANCE SHEET CHANGES VERSUS S&P 500

S&P FUTURES VERSUS RELATIVE VOLUMES

JAPANESE BUYING FOREIGN STOCKS

MONETARY INITIATIVES VERSUS S&P 500

HIGH PROBABILITY TARGET ZONES TRADING

What is HPTZ TRADING?

A purely Technical Trading Methodology *(no bias)* that can be used as the backbone for any trading plan or strategy, for all styles of trading and investment objectives.

How does it work?

MULTIPLE TECHNICAL ANALYSIS TECHNIQUES are overlapped and integrated. Where they tell a similar story (confluence) is where we identify places of interest (targets) that the market is likely to move to.

SEVERAL TARGETS are usually identified, above and below the market. Identifying targets above and below the market gives targets for a move in either direction. No bias.

THE TECHNICAL TOOLS used to locate the target areas are now the trigger considerations as the market moves through them, towards a target.

USING THE TECHNICAL TRIGGERS no bias is established and the participant can follow along with what the market actually does, as opposed to guessing what it might do.

INITIAL SET-UP of the tools to find HPTZ's establishes the significant market levels, trends, and supports & resistances. They give a road map of the market: the next likely destination and any stops along the way. This can be followed as the market moves from one technical to the next, on its way to a HPTZ.

HPTZ TRADING

HIGH PROBABILITY TARGET ZONES TRADING

HPTZTRADING

TECHNICAL ANALYSIS PERFORMANCE OVERVIEW

June 2015 Issue (previous months calls).

A quick overview to compare what was published for last month's analysis with what actually occurred. The left hand chart shows the daily analysis given, and the right hand chart is an updated image.

These are given here to offer a consolidated review and to get a general overall sense of success or failure for the analysis across several markets. You be the judge.

Current analysis for each market can be found in their respective sections as usual.

HPTZ TARGETS

Several technical tools, techniques and methods are integrated and overlapped; where these tell a similar story, or ***places of technical confluence***, through both passive and active analysis, is where we have areas of interest or ***High Probability Target Zones***.

Green targets are from the Daily time frame ***Blue targets are from the Weekly time frame.***

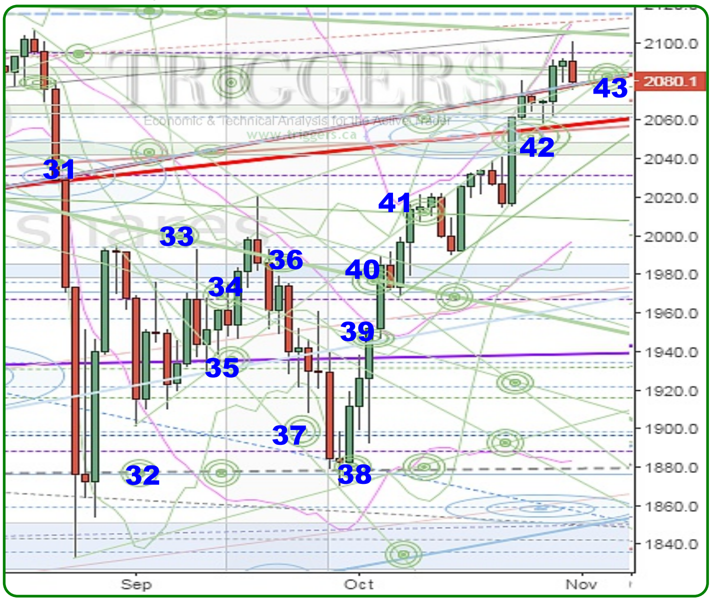
Charts below are all Daily time frames. Blue targets appear larger as they have been carried down from the weekly time frame. *(Red are older targets)*

S&P

Published in October Issue

Market starting to consolidate

as of Friday October 30th , 2015



Consolida

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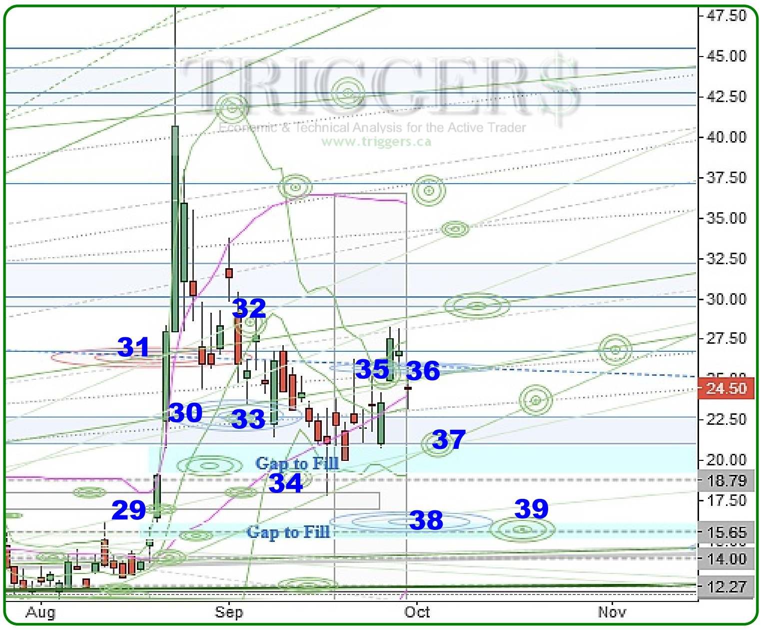
HPTZ Trading (cont)

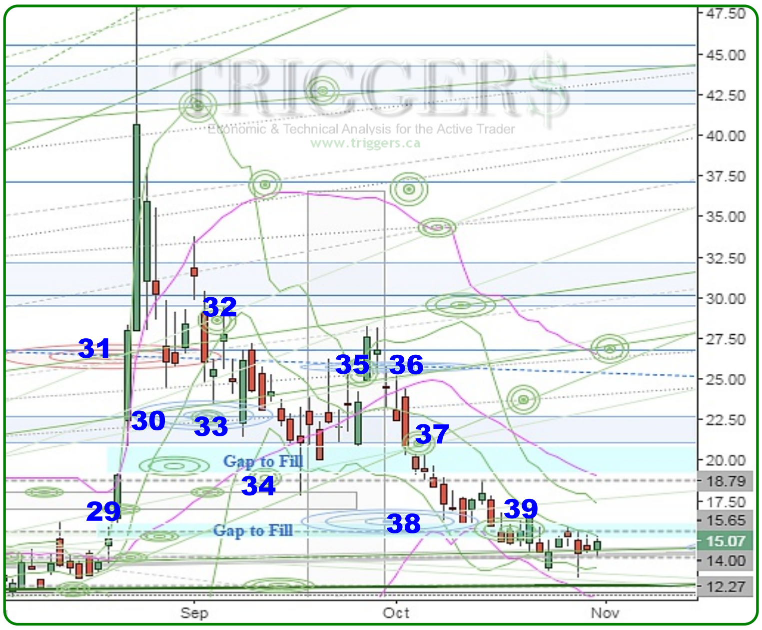
VIX

Published in October Issue



Gaps I

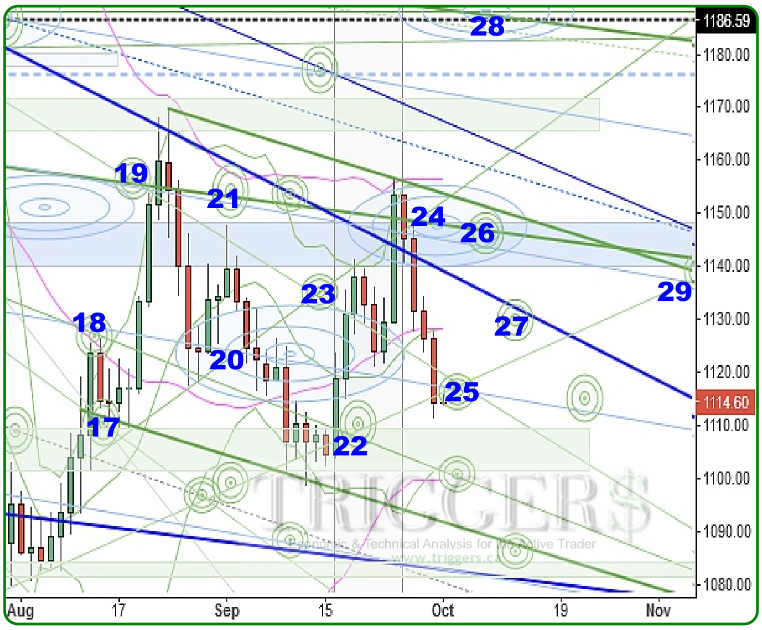
as of Friday October 30th, 2015



VIX

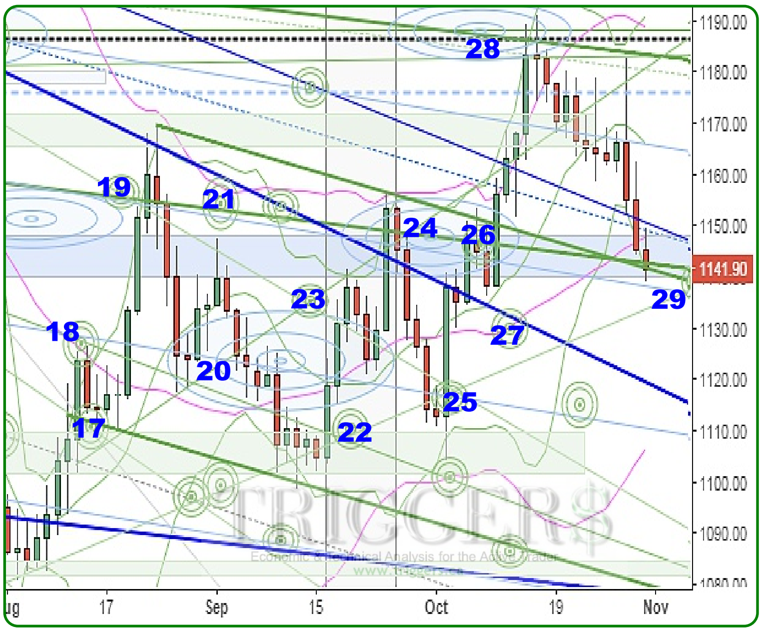
GOLD

Published in October Issue



Watching for more sideways movement

as of Friday October 30th, 2015



Spikes u

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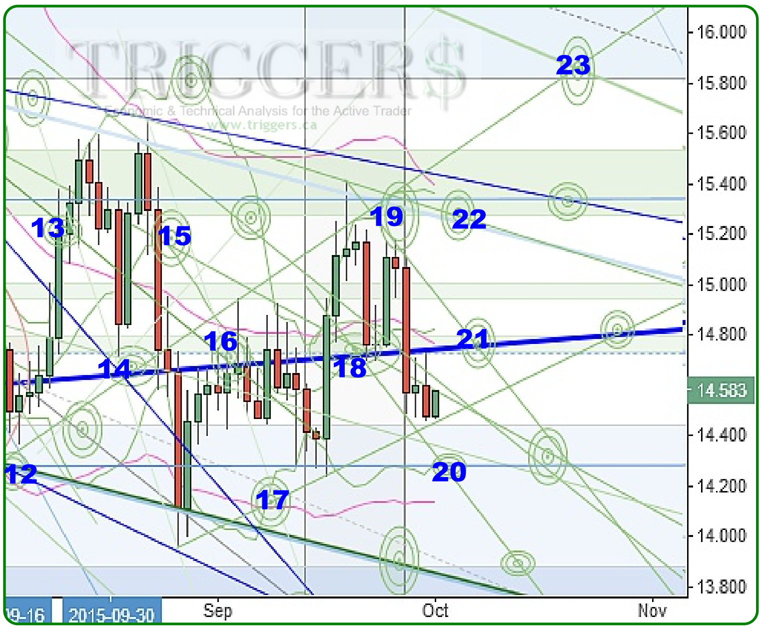
HPTZ Trading (cont)

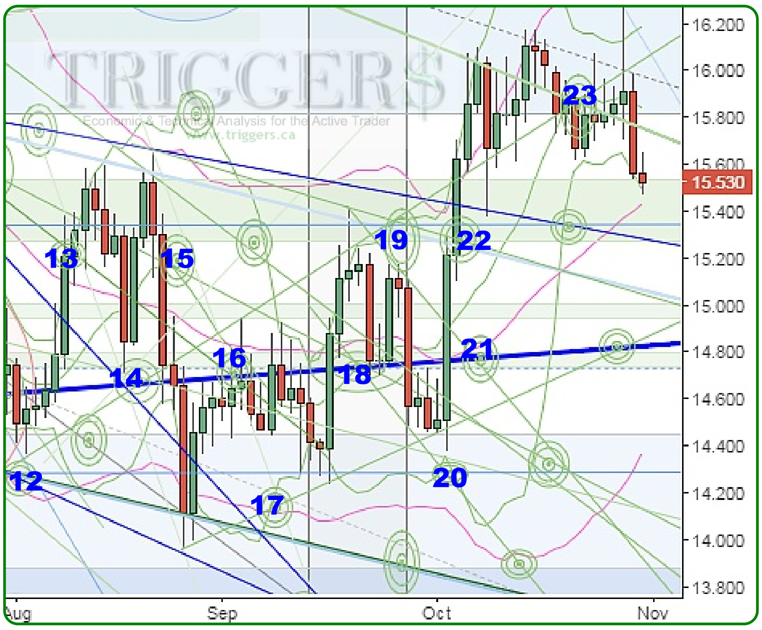
HPTZTRADING SILVER

Published in October Issue



Silver in consolidation

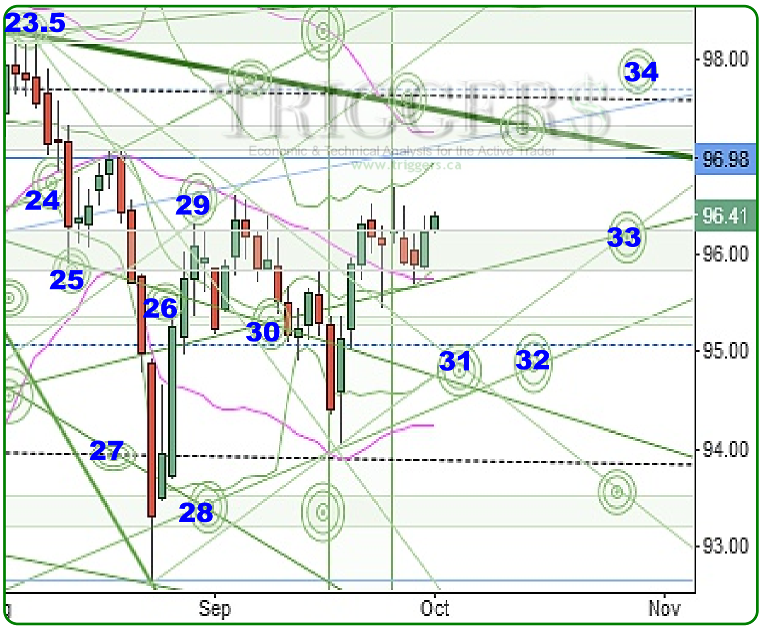
as of Friday October 30th, 2015



Continues to consolidate through HPTZ(16)(18) & (19).

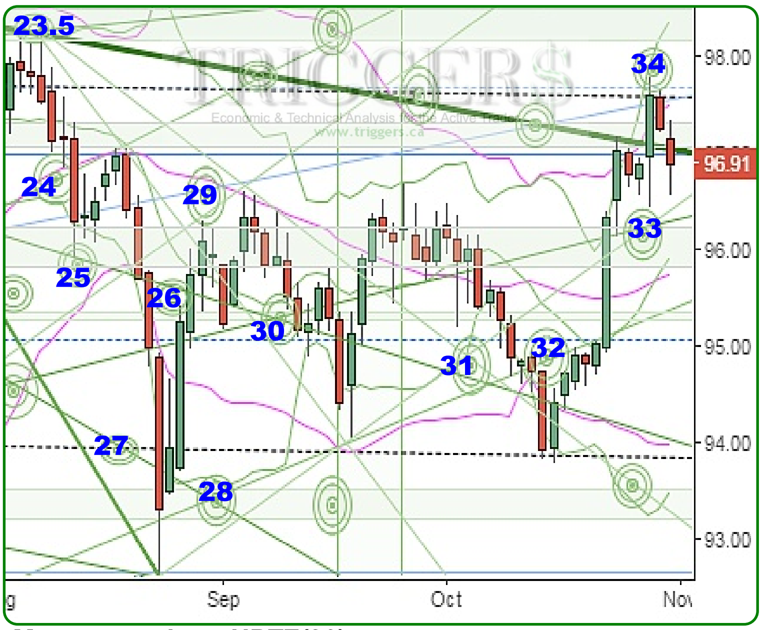
HPTZTRADING US$

Published in October Issue



USD has been in a long term consolidation

as of Friday October 30th, 2015



Moves over in to HPTZ(30)

(cont pg.19)

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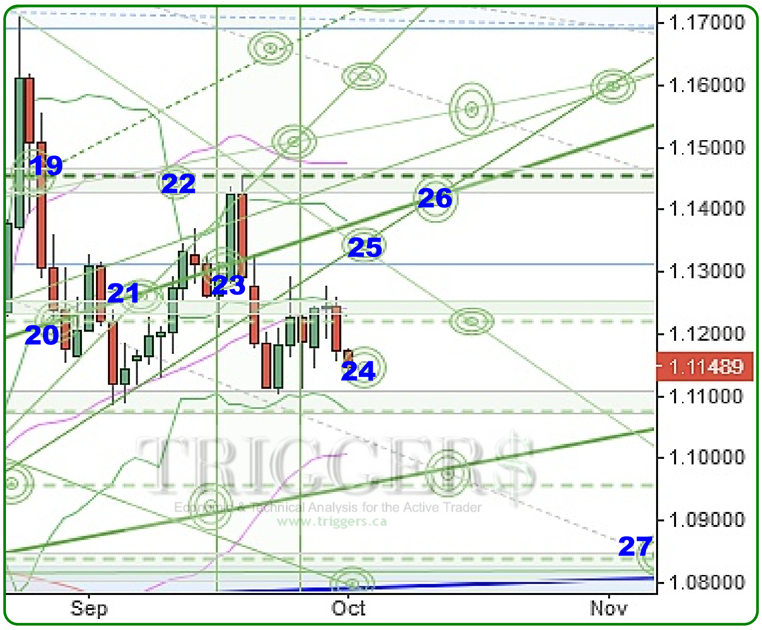
HPTZ Trading (cont)

HPTZTRADING

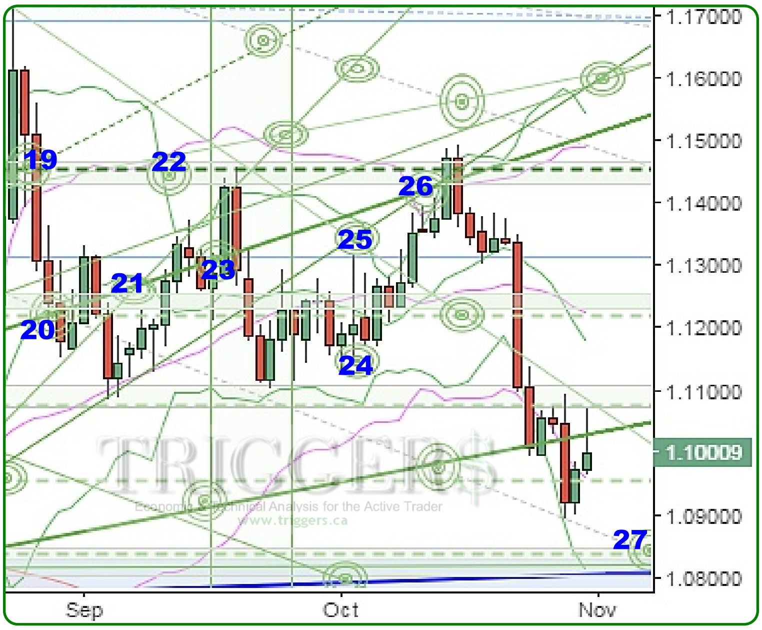
EUR/US$

Published in October Issue



Another

as of Friday October 30th, 2015



Moves t

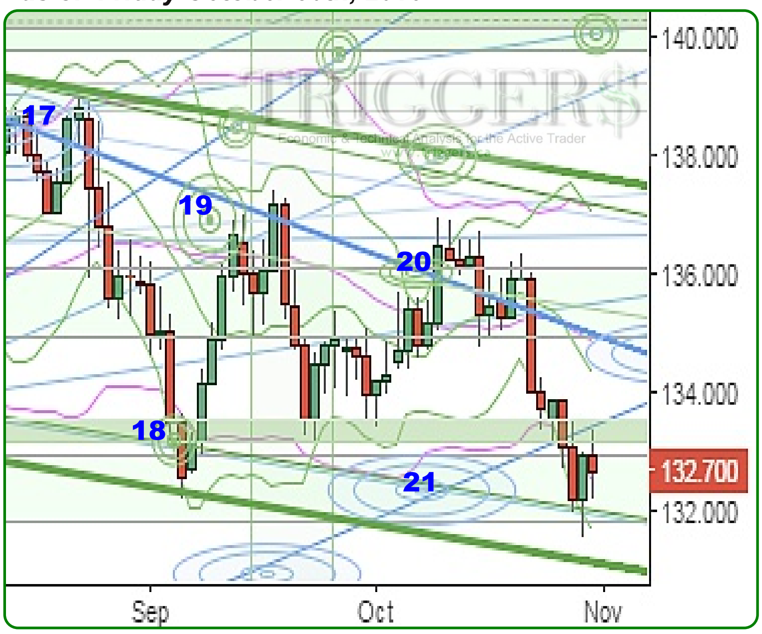
HPTZTRADING

EUR/JPY

Published in October Issue

Channels

as of Friday October 30th, 2015

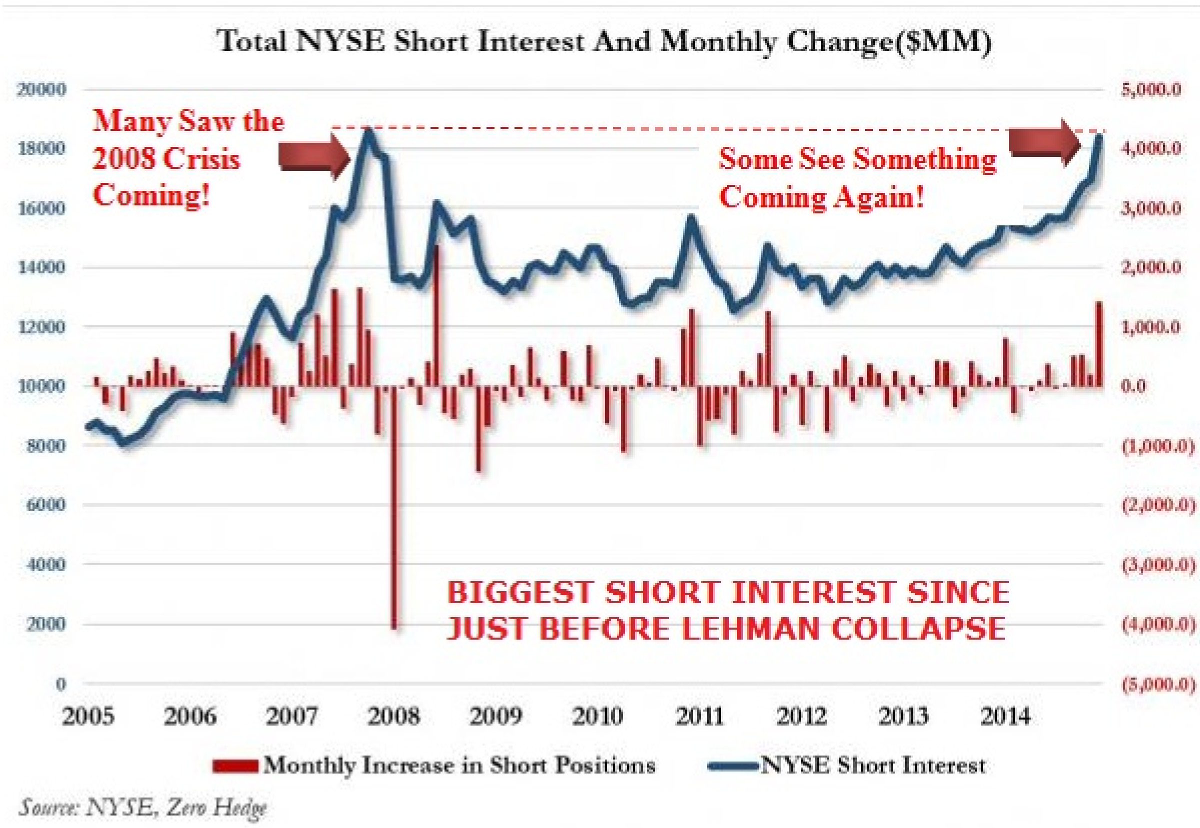


Drops

END

FEATURE ARTICLE

WHAT ARE THEY SO WORRIED ABOUT?

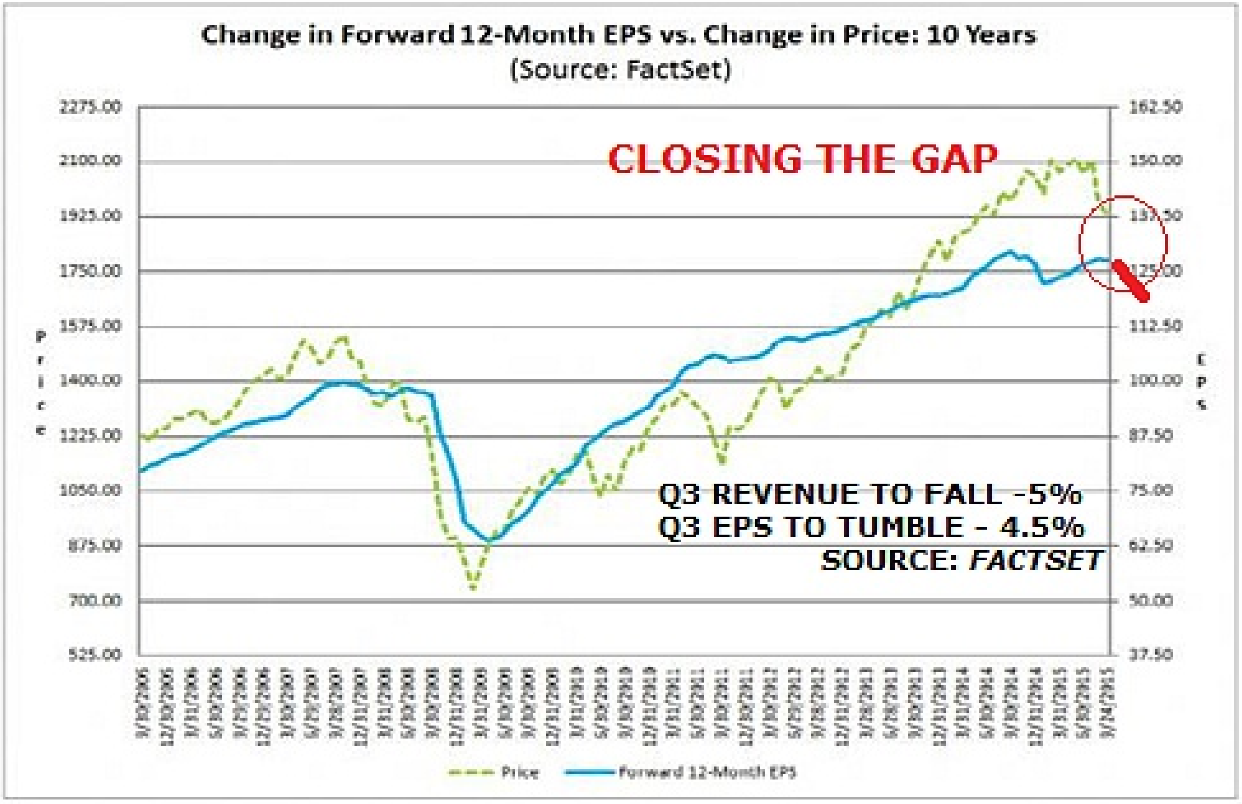


(cont pg.21)

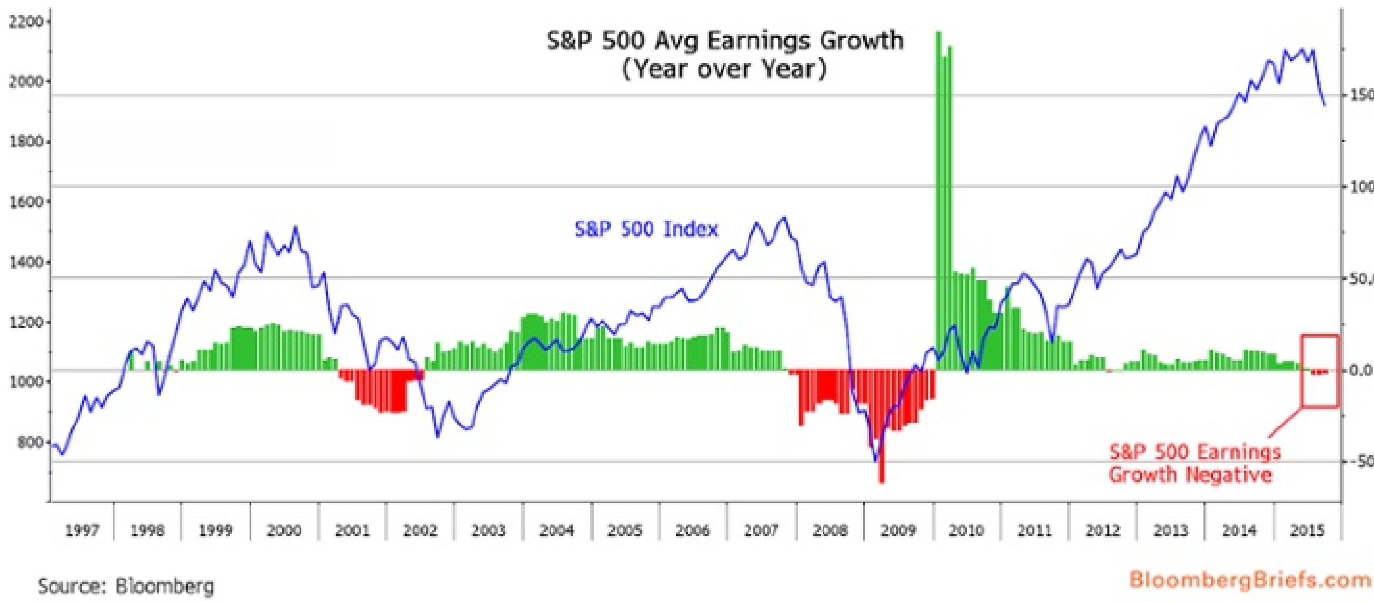
Recession Rumblings (cont)

IS IT AN EARNINGS IMPLOSION?

Q3 EARNINGS – Q3 EPS Expected to fall -4.5% According to Factset



Q3 EARNINGS – S&P 500 Average Earnings Growth Y-o-Y – Not a Good Pattern



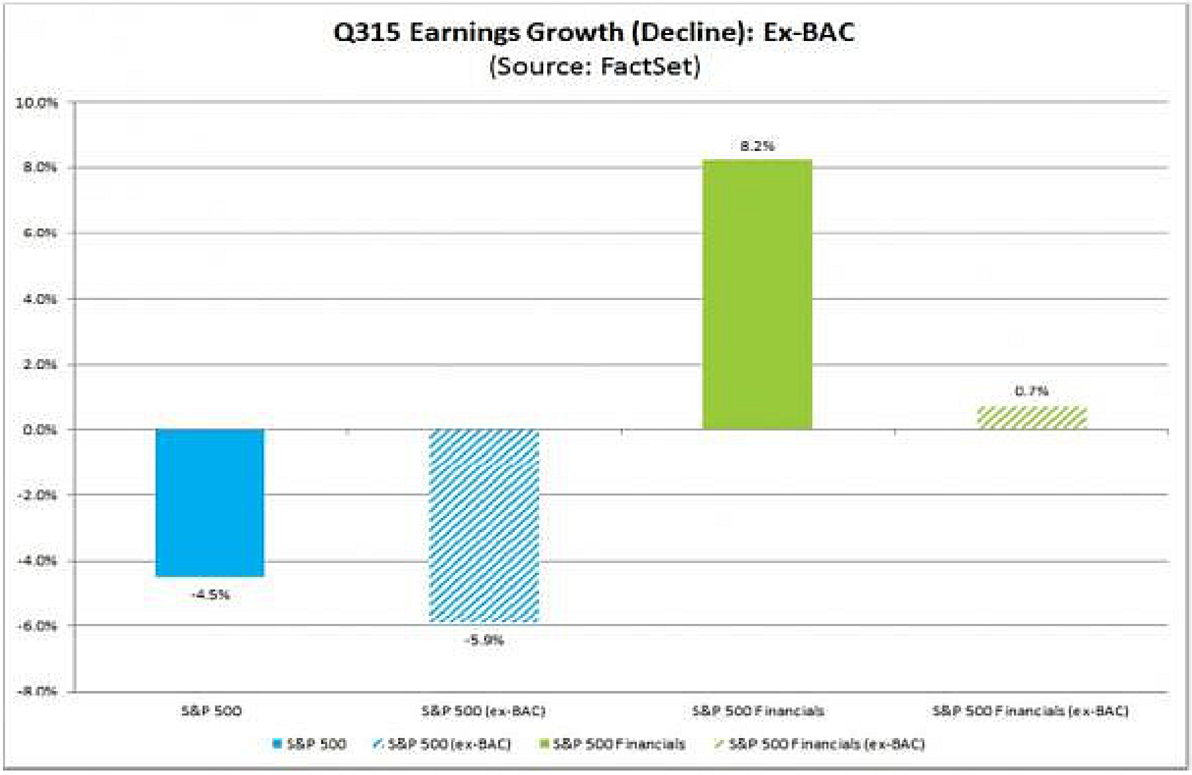
(cont pg.22)

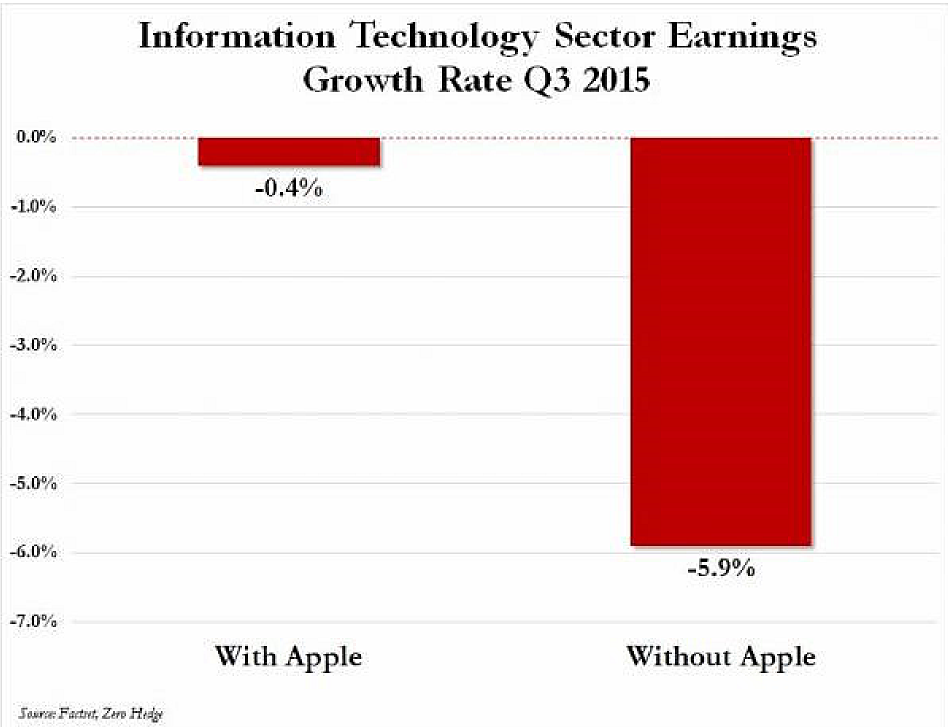
Recession Rumblings (cont)

Q3 ABOUT APPLE AND BOAML

Q3 EARNINGS – Q3 Earnings Growth (Decline): Ex-BAC

This is how big BofA's contribution to Q3 earnings season will be: if Bank of America is excluded from the index, the estimated earnings growth rate for the Financials sectors would fall to 0.7% from 8.2%, while the estimated earnings decline for the S&P 500 would increase to -5.9% from -4.5%.

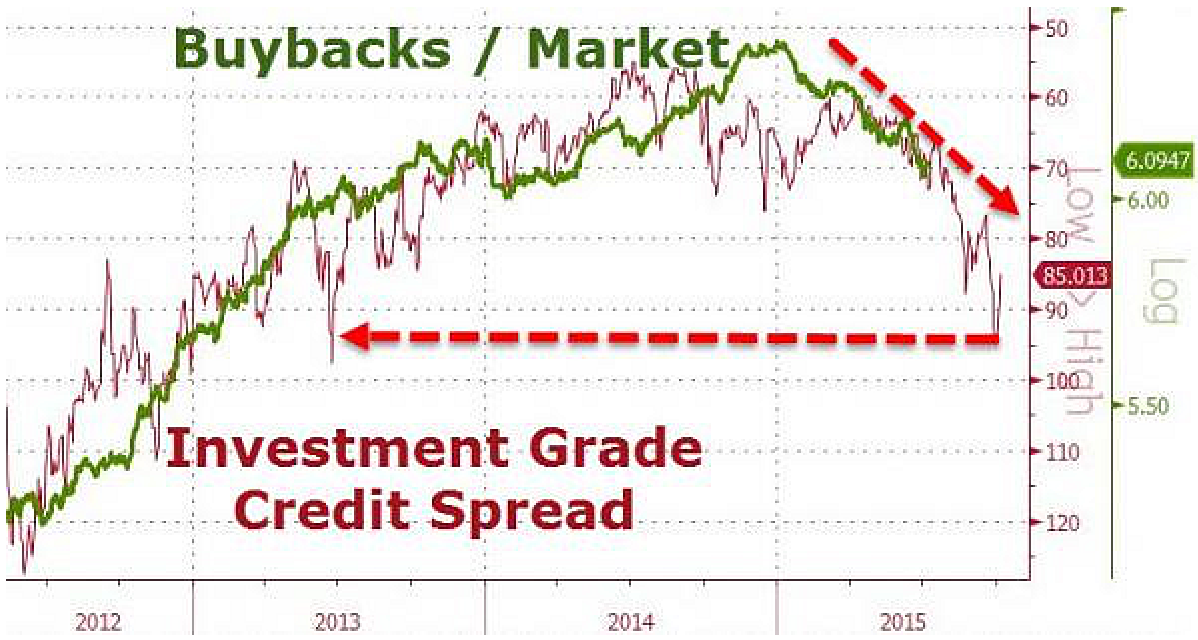




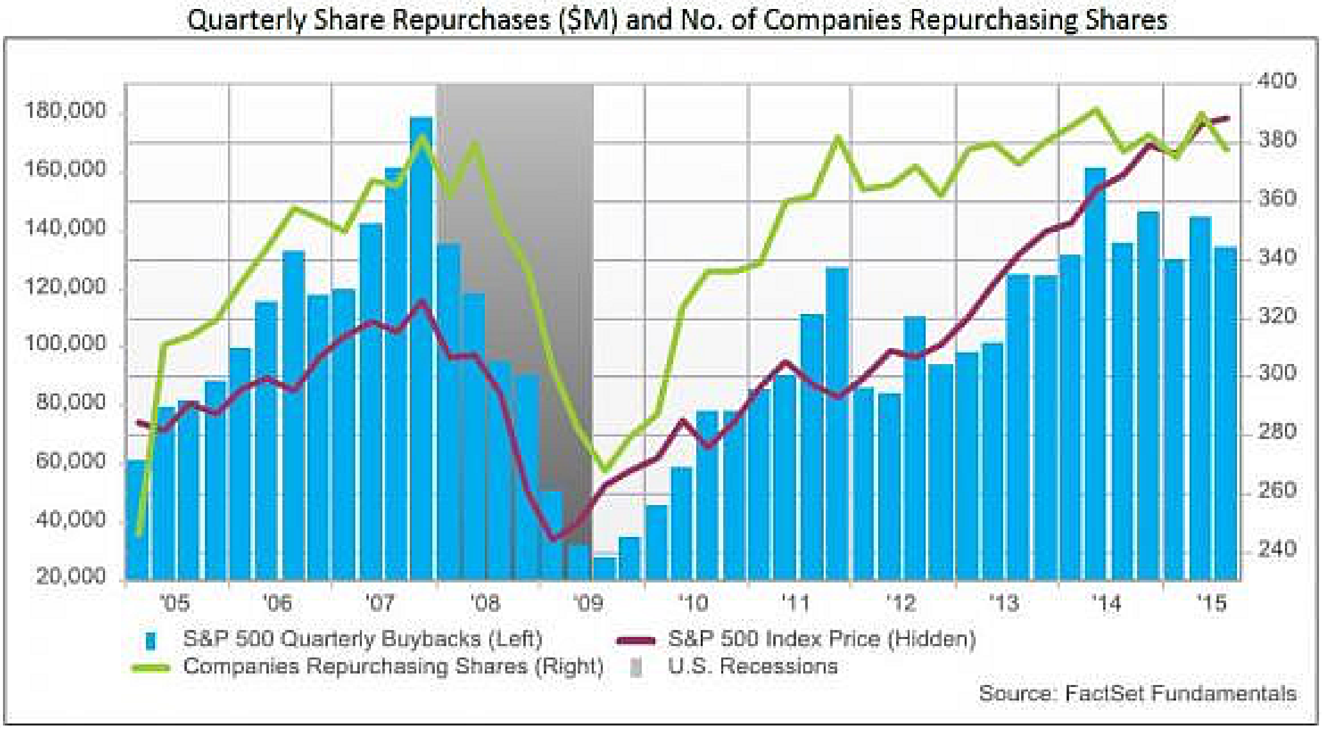
(cont pg.23)

Recession Rumblings (cont)

OR IS IT THE CRACKING PILLAR SUPPORTING THE MARKETS?
BUYBACKS – Falling Investment Grade Spreads Hurting Buybacks



BUYBACKS
– Quarterly Share Repurchases & No. of Companies Repurchasing Shares Slows



(cont pg.24)

SOMETHING HAS SUDDENLY CHANGED

We talked about Confidence and Sentiment changing and what Alan Greenspan warned congress about a number of times during his Humphrey-Hawkins Testimony.

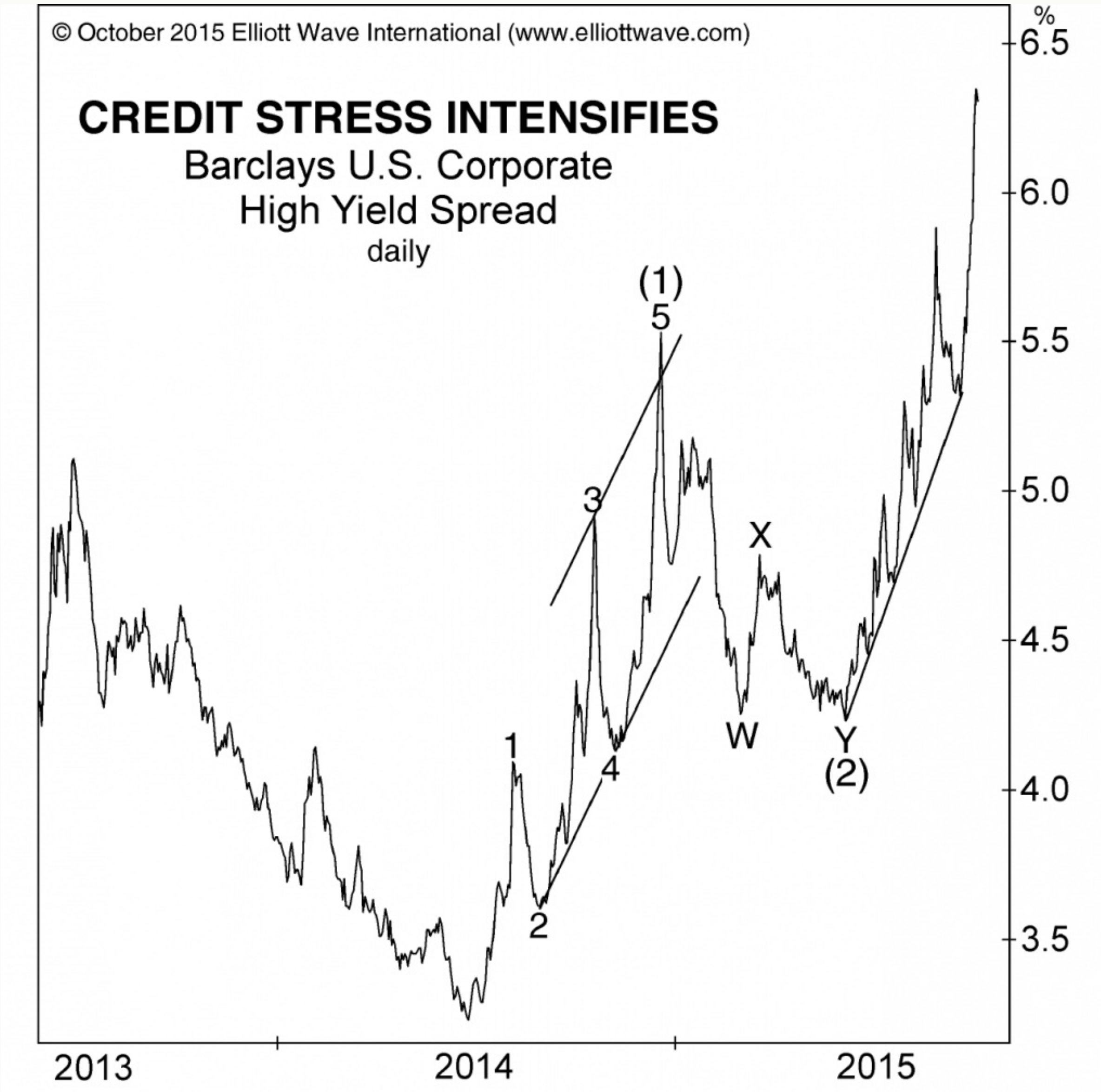
The "Throwing of the Light Switch"

Pater Tenenbrarum of Acting Man *observes*

> ….. What struck us was a comment made by the CEO of a manufacturing company in the context of the latest Kansas manufacturing survey release. As Wolf street notes, according to the survey, "the future composite index and the indexes for the future production, shipments, and new orders all dropped to their worst levels since 2009". Here is what the CEO said:
>
> "*It feels like someone just flipped the switch to 'off'* without any concrete reasoning," one of the executives commented. (emphasis added)
>
> We immediately recognized that phrase – we have heard it twice before, and it has stuck with us ever since. In fact, we have mentioned it a few times when occasion demanded in past articles. The first time we heard this phrase was in late 2000, in an interview with the CEO of a telecom equipment provider. Paraphrasing: "It's as if someone had just thrown a light switch – orders have suddenly disappeared".
>
> The next time we heard the phrase uttered was in late 2007 – this time in connection with a mortgage credit company. Ever since, we have filed it away as an anecdotal reference to the onset of recessions. And lo and behold, the phrase is popping up again in a district manufacturing survey.
>
> Over the weekend we also looked at the latest EWI financial forecast (a monthly publication focused on US markets). In one section, the authors discuss the recent prevalence of individual stocks and corporate bonds crashing even while the market as a whole seems to be holding up relatively well. They also ponder whether certain corners of the bond market that are lately attracting funds from those fleeing the junk bond market for their perceived safety are really as safe as is widely assumed. The following turn of phrase stood out to us in this context:
>
> *"Our view is that Glencore's "flash crash" will turn out to be one of many "light-switch" declines, and not just in commodity-related businesses. Already, a plethora of stocks in a wide range of industries have quietly crashed over 50% this year. The industries range from specialty retail (Aeropostale, -78%) to coffee (Keurig Green Mountain, -67%) to semiconductors (Micron Technology, -61%) and the Internet (Groupon, -61%)."*

(cont pg.25)

Recession Rumblings (cont)



[and further below, in the discussion of corporate debt]:

"As the charts of Glencore's stock and its credit default swaps illustrate, the "light switch" moments are starting to appear." (emphasis added)

So there you have the same phrase again, only this time in connection with financial market behavior. As the accompanying chart shows, junk bond spreads are exhibiting a distinct similarity to how they looked just ahead of the most recent recessions and bear markets:

Junk bond spreads with a proposed wave count by EWI (above)

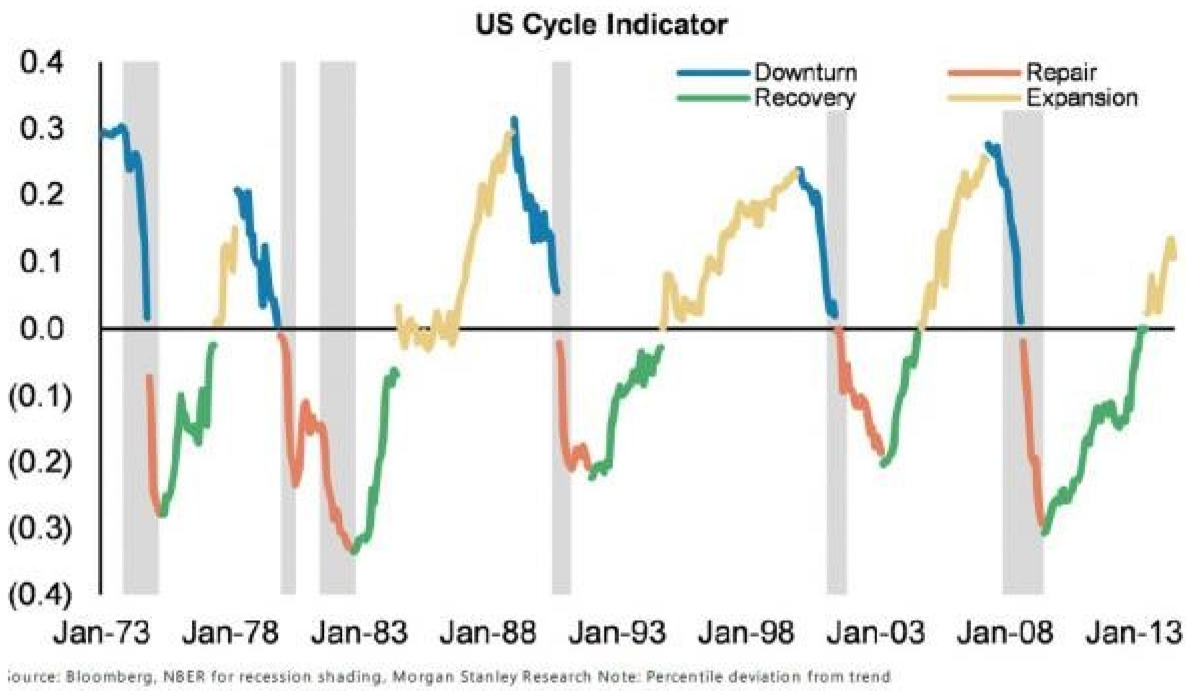
This synchronicity in this turn of phrase is of course not a coincidence – both the sudden disappearance of manufacturing orders and the "quiet flash crashes" of individual stocks

(cont pg.26)

Recession Rumblings (cont)

from a wide range of industries coupled with persistent weakness in junk bonds, are symptoms of the same underlying phenomenon. When we see the phrase about a *"light switch suddenly being flipped to 'off'"* or a variant thereof popping up in reports about the economy or descriptions of market behavior, our ears are perking up.

WE THINK THEY ARE WORRIED ABOUT A POTENTIAL US RECESSION.



(cont pg.27)

Recession Rumblings (cont)

WE ARE EXPECTING US$ TO DROP

WEEKLY - DXY

DAILY

But Gold, Silver, Oil, Commodities & Bonds to rise. Yields to fall

(cont pg.28)

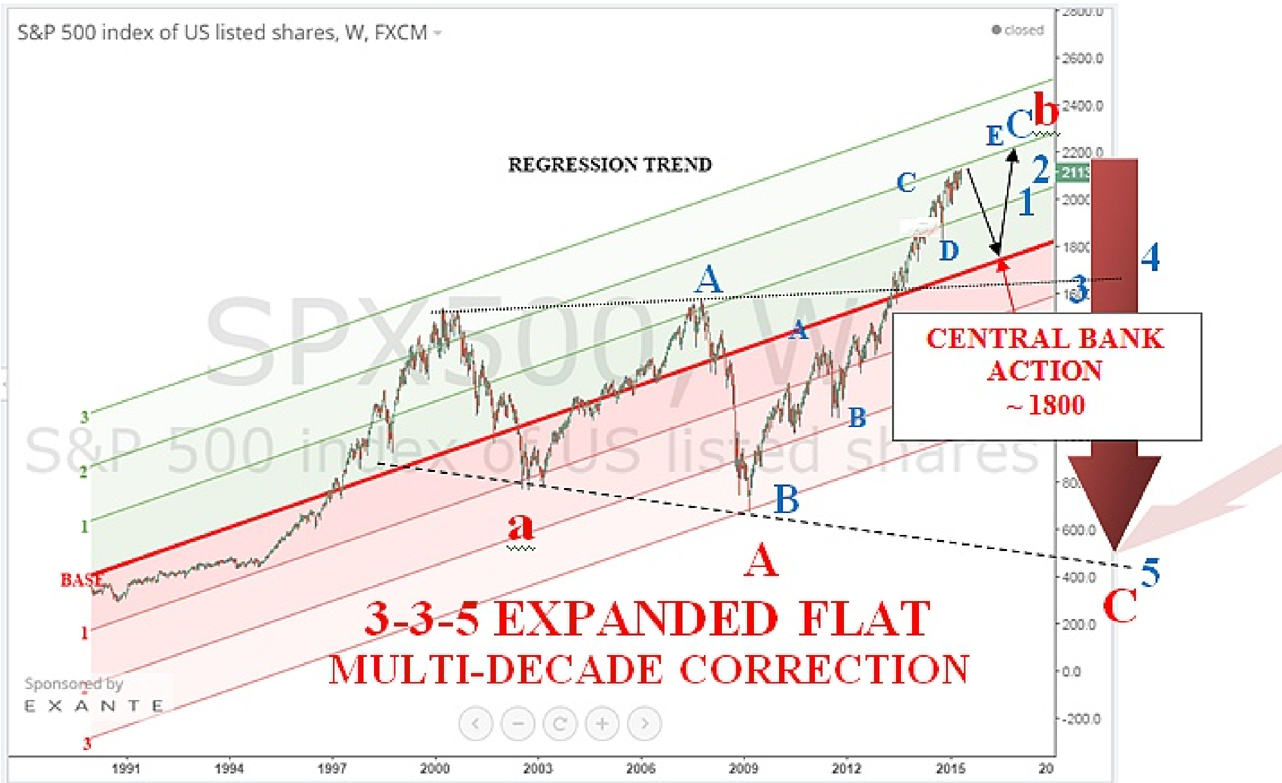
Recession Rumblings (cont)

INTERMEDIATE TERM VIEW

As we have laid out in previous MATA reports, we still see more increases in the equity markets in 2015 after this consolidation / correction has run its course but have serious concerns beginning in 2016.

LONGER TERM VIEW

Sometime in 2016, after the central bankers have had another shot at QE, helicopter money and collateral guarantees it will end - badly

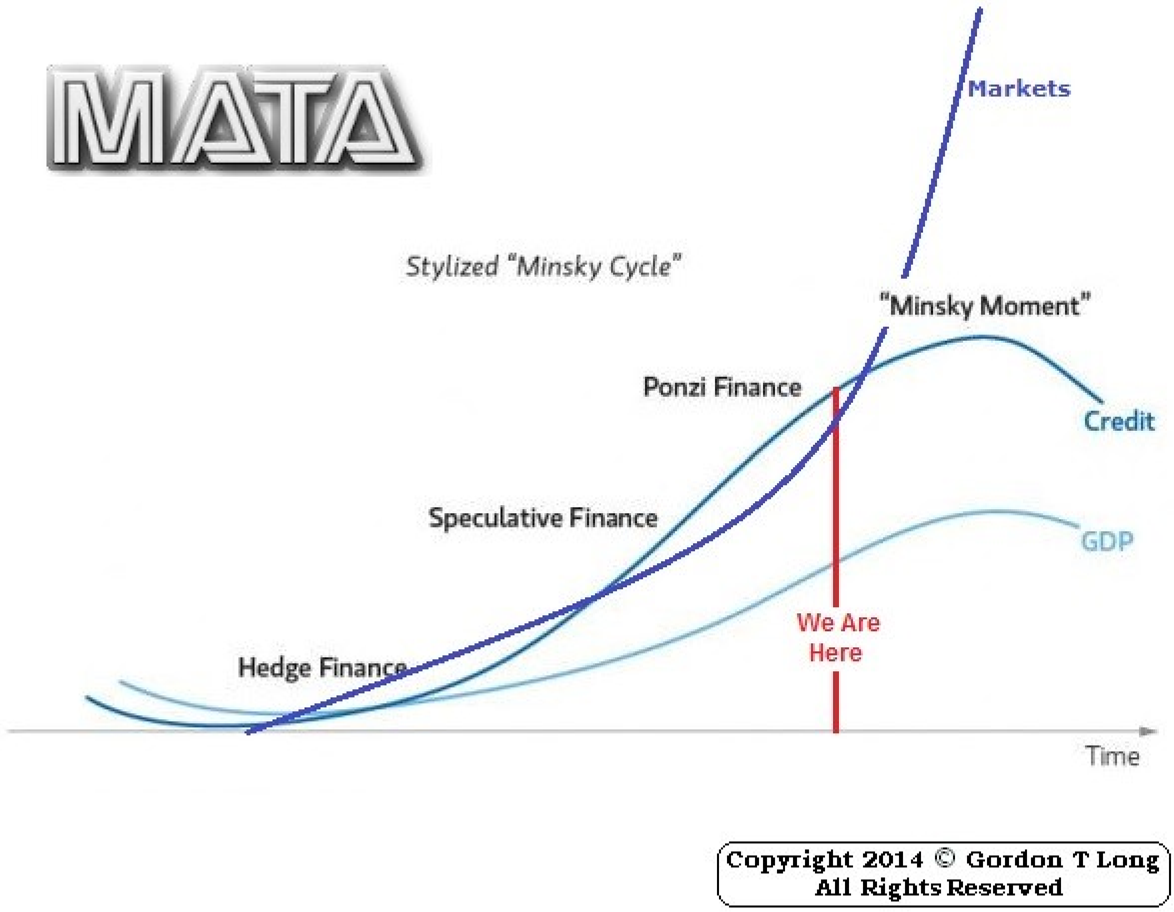


(cont pg.29)

Recession Rumblings (cont)

HAVEN'T CHANGED OUR POSITION
After the near term expected correction we still expect markets to head higher towards a "Minsky Moment" in 2016.

This is based on the assumption that Central Banks will react to any deterioration in the financial markets with yet another round of crisis driven liquidity pumping!



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Publisher & Editor
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Need To Know
Technical Analysis

S&P Long Term Views;
Targets; A Closer Look;
MATA TRIGGER$ & DRIVER$

Contents Page

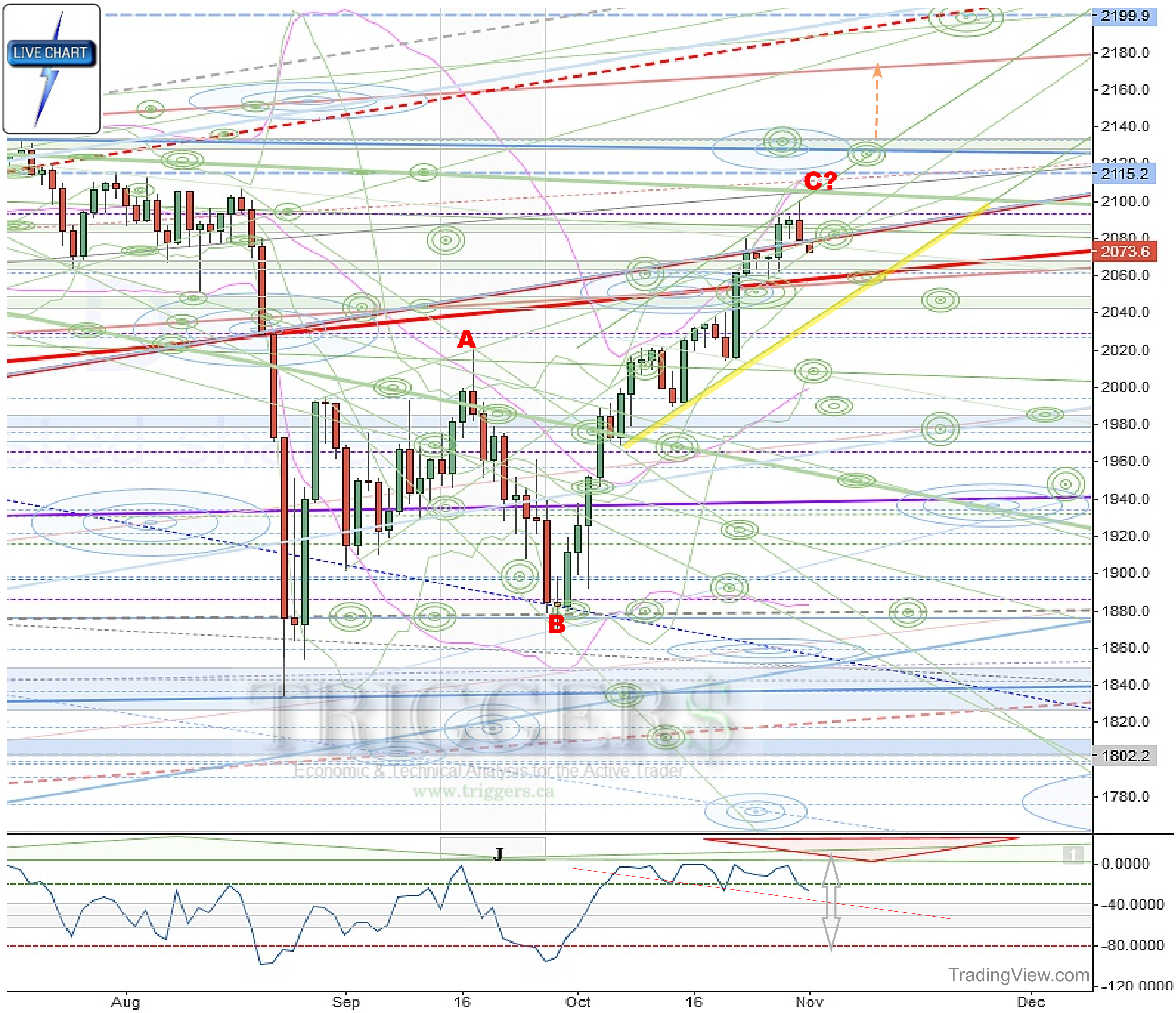
S&P Long-Term View : Controlling Channels & S/R's

S&P Long-Term View : Boundary Conditions

S&P Long-Term View : Closer Look

S&P Target Levels: FIB Extensions

S&P - A Closer Look *Daily View*



I've placed an ABC corrective count on the recent pattern. C may still have more lift to go: several significant s/r's can be seen just above.

A green trend line / channel support has been highlighted in yellow: this needs to be broken for a change in trend to be confirmed.

Potential exists for another severe drop, similar to what we saw at the end of August. This would take the market past the lows of the current consolidation: ~1800.00

The W%R has dropped below the -20 level, however we can see support on the indicator from the red trend line. It looks like an expanding wedge on the W%R and a break through the s/r is needed for a trend change.

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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.

SUBSCRIBERS ONLY

MATA TRIGGER$ ZONES *Key Dates to Watch*

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.

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MATA DRIVER$ & BIA$

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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.

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THE VAULT
Currencies & Metals

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

LIVE CHART

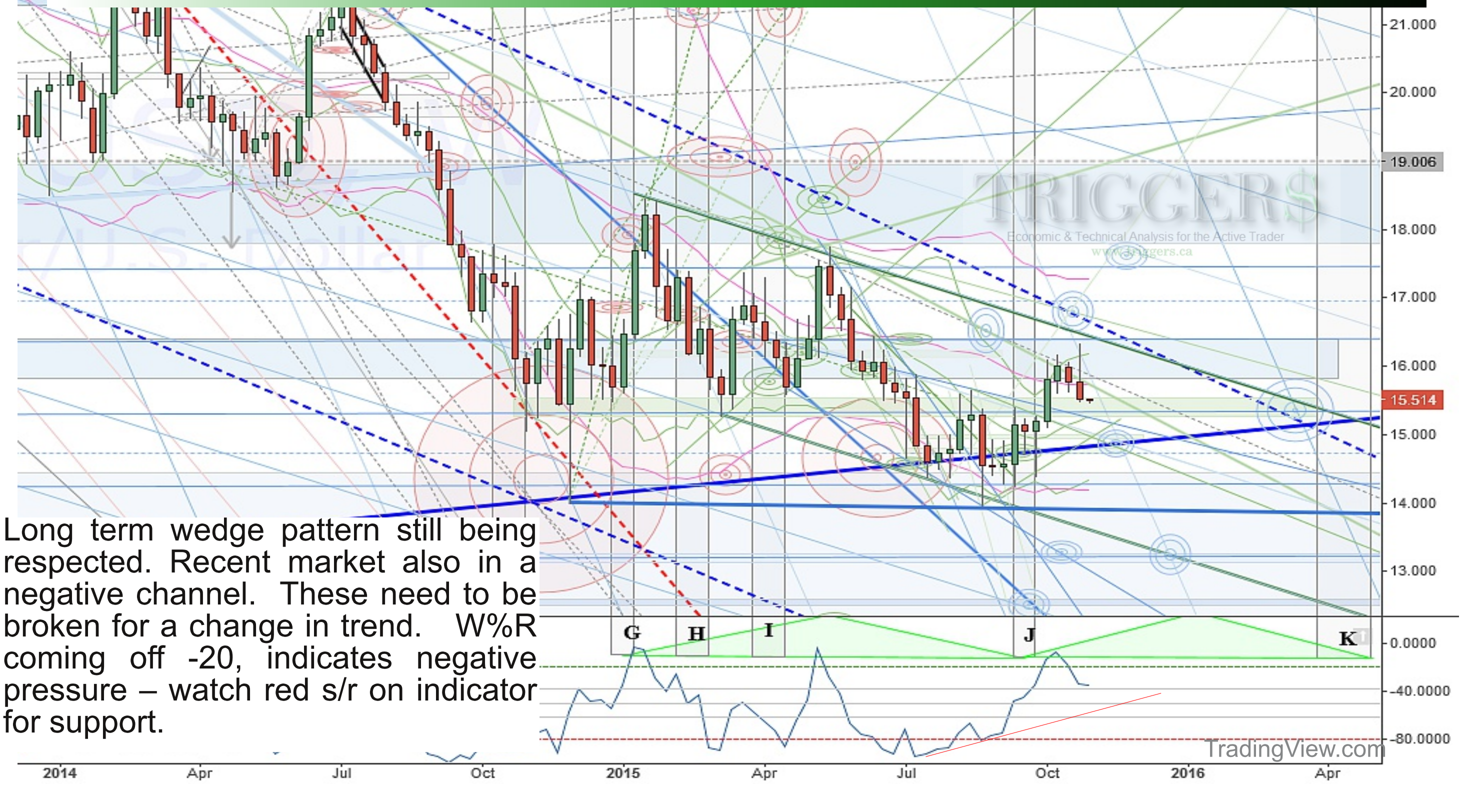
select the LIVE CHART button for current market data

Contents Page

SILVER

as of Friday October 30th, 2015

Long-Term View - *Weekly*



Long term wedge pattern still being respected. Recent market also in a negative channel. These need to be broken for a change in trend. W%R coming off -20, indicates negative pressure – watch red s/r on indicator for support.

Near-Term View - *Daily*

LIVE CHART

Sitting at the 34ma: bouncing off of or breaking through ma offers TC. W%R has dropped below -80: suggests negative pressure and more down potential until broken over.

GOLD
as of Friday October 30th, 2015

Long-Term View - *Weekly*

Near-Term View - *Daily*

EUR:JPY
as of Friday October 30th, 2015

Long-Term View - *Weekly*

Near-Term View - *Daily*

US$
as of Friday October 30th, 2015

Long-Term View - *Weekly*

Near-Term View - *Daily*

EUR:US$
as of Friday October 30th, 2015

Long-Term View - *Weekly*

Near-Term View - *Daily*

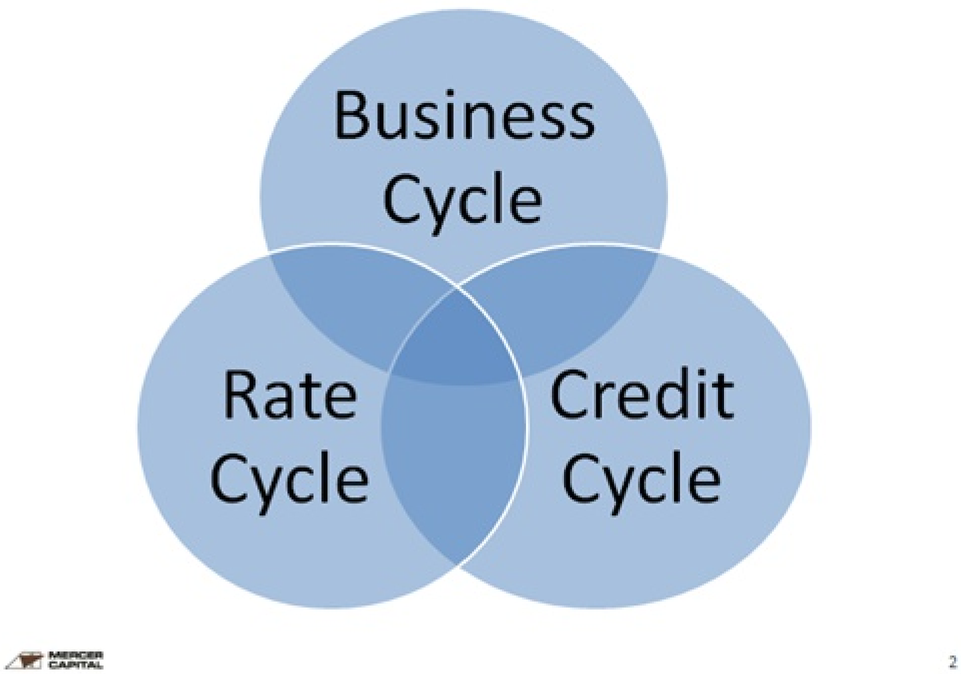
CREDIT LEADS: Equities Will Be Wagged!

Released to TRIGGER$ Subscribers Oct. 14th / 2015

CREDIT INVESTORS BOLT – HY in Disarray

3 CYCLES - *Three Cycles*

What we must fully appreciate is that there are three cycles that work in concert: The Business Cycle, the Rate Cycle and the Credit Cycle. It is our assessment that the Credit Cycles has turned.

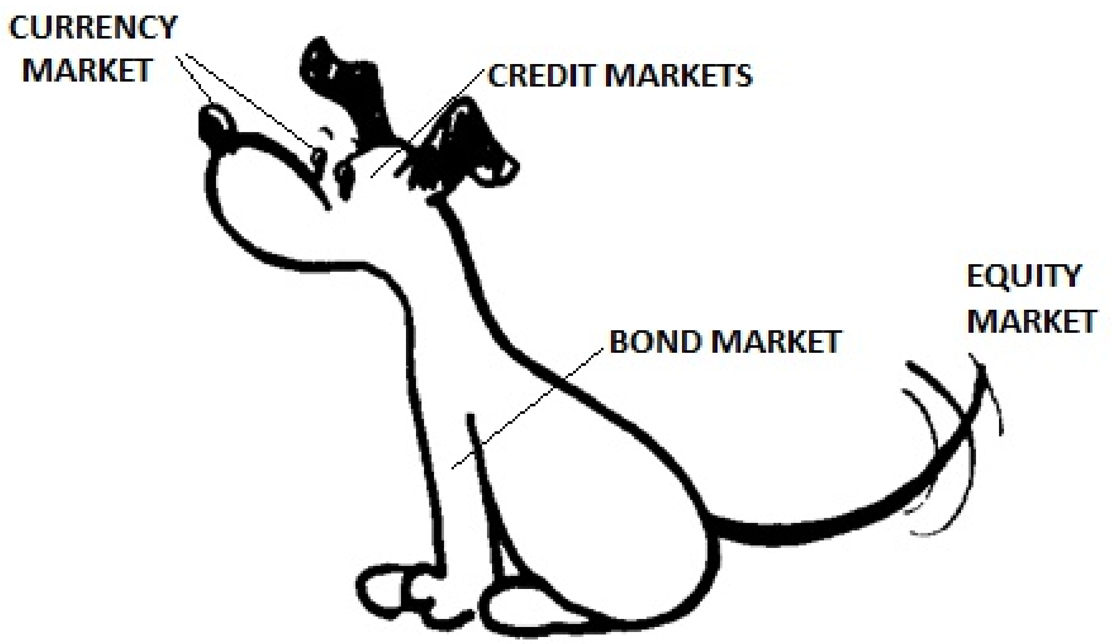


CREDIT LEADS

Currency and Credit Markets Lead, Bonds follow and Equities usually are suddenly impacted. Equity direction changes in an unexpectant manner. For those watching the cycles and the other markets it isn't that the equity market direction changed, but rather more a matter of how long it was delayed and the timing of it.

(cont.pg.37)

Credit Leads... (cont.)



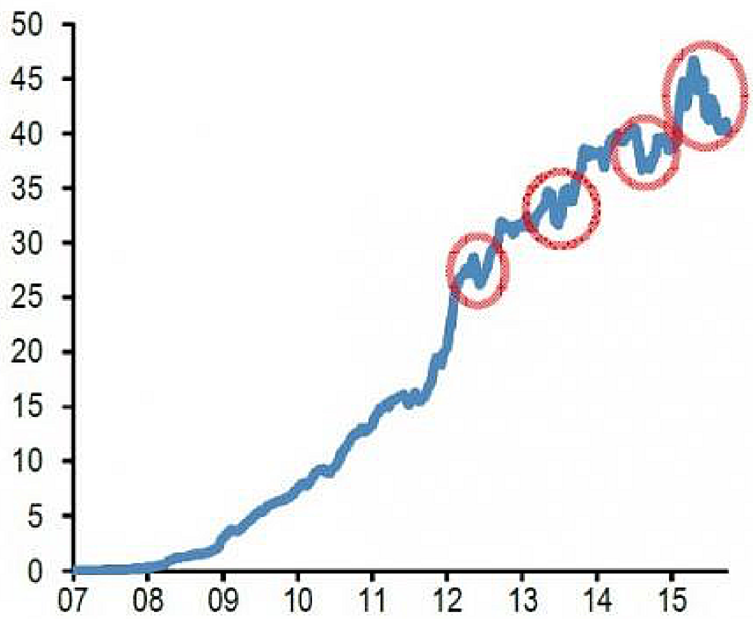
CURRENCY & CREDIT LEAD - BONDS & EQUITY FOLLOW

HY ETF – *Bond Liquidity*

The growth in High Yield (HY) bonds held by ETF's has been nothing short of spectacular. The HY market was previously not readily available to the general public. It was the purview of the professionals. Now it is for traders, speculators, mutual funds and anyone else searching for yield and capital appreciation based on QE and ZIRP.

Figure 1: HY ETF AUM

In $bn. Drawdown marked in red. Red marks are May-12, May-13, Jul-14 And Apr-15.



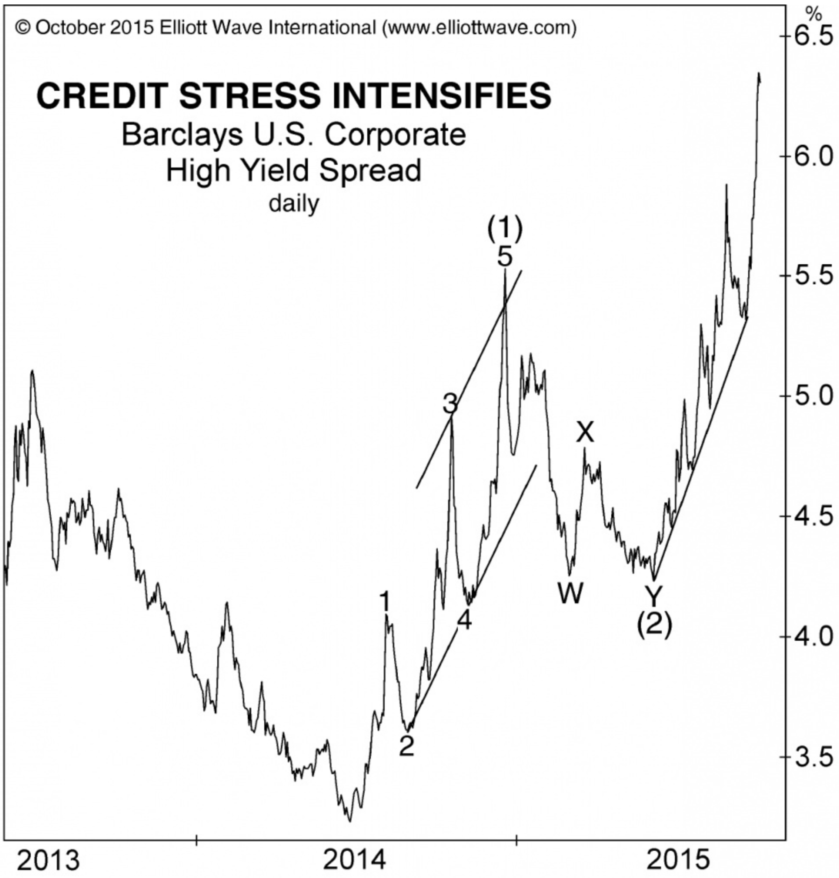
Source: Bloomberg, J.P. Morgan.

(cont.pg.38)

Credit Leads... (cont.)

GLOBAL RISK APPETITE – *Spreads Are Widening*

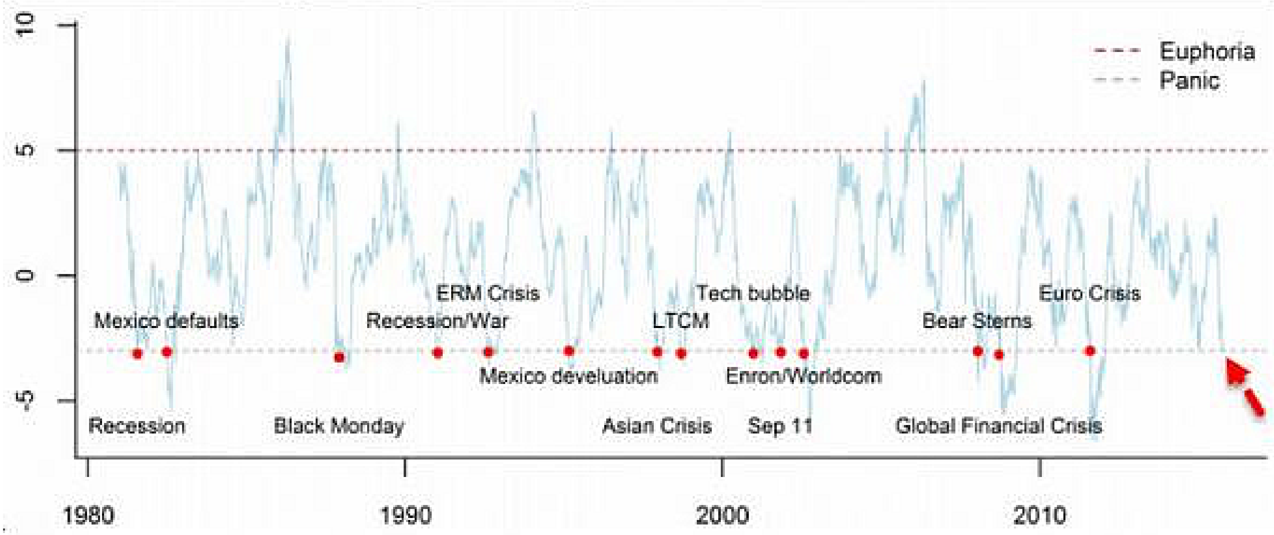
Global Credit Stress is intensifying. Yields are climbing dramatically as are spreads.



GLOBAL RISK APPETITE – *Past Panic Episodes*

Global Risk Appetite is falling and is at levels last seen approaching major market moving shocks.

Exhibit 1: Global Risk Appetite with past Panic episode marked



(cont.pg.39)

Credit Leads... (cont.)

CDX HY INDEX – *Signaling A Problem For Some Time*

The Credit Default Swaps for HY has been signaling a problem for some time now.

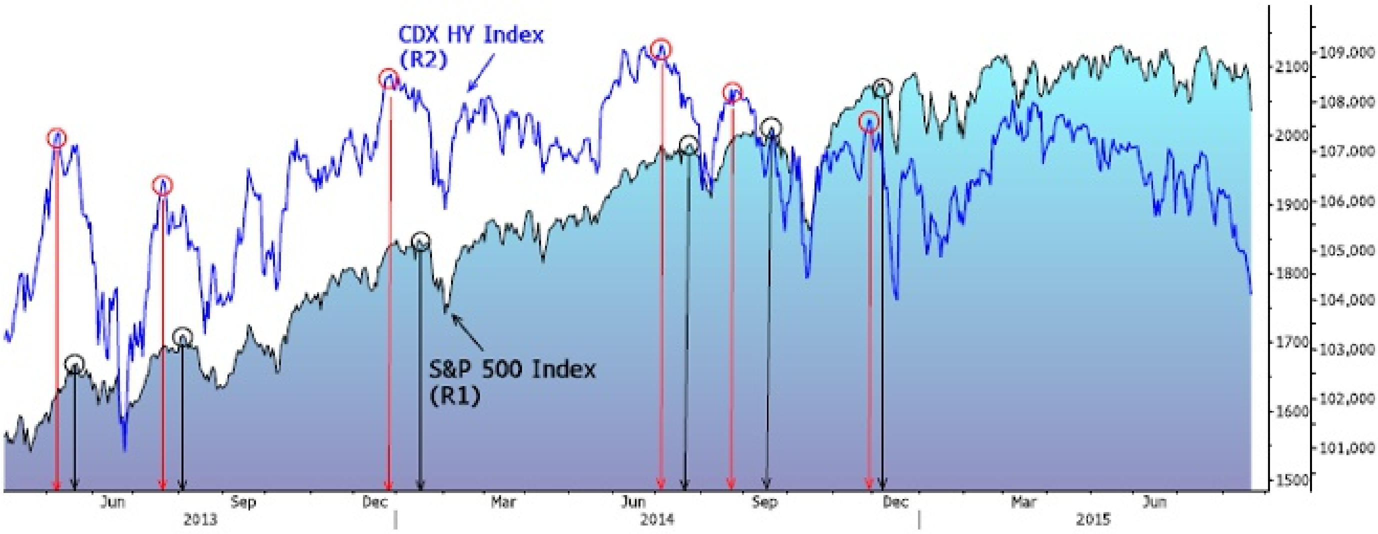
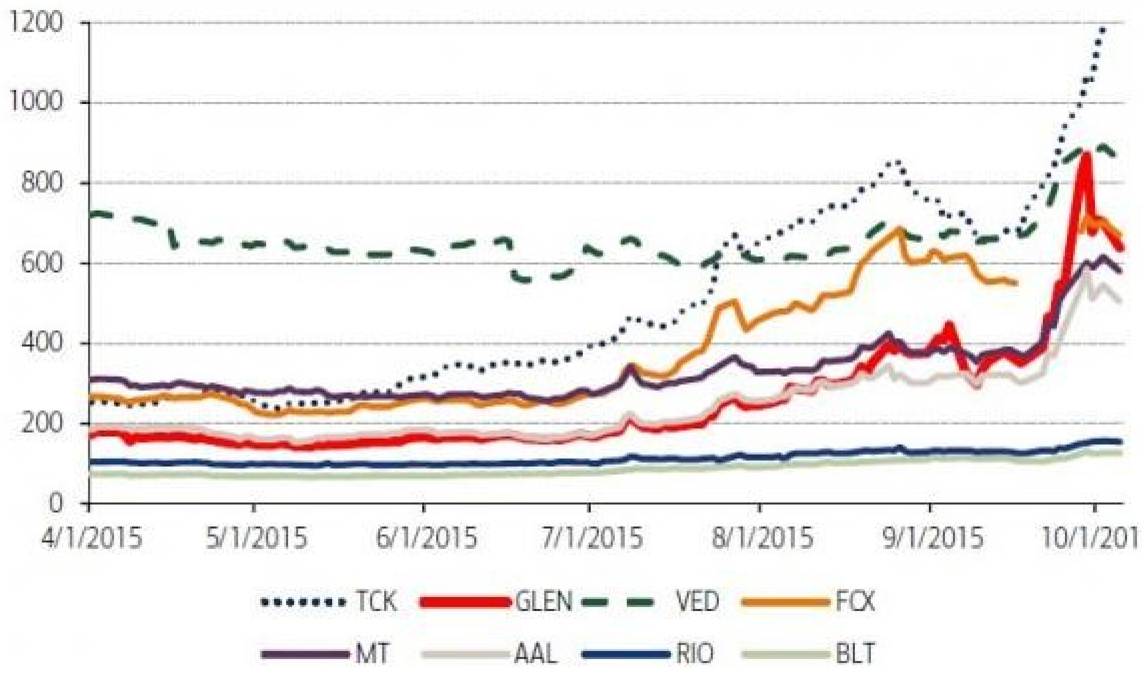


Chart 2: Evolution of Credit Default Swaps (CDS)



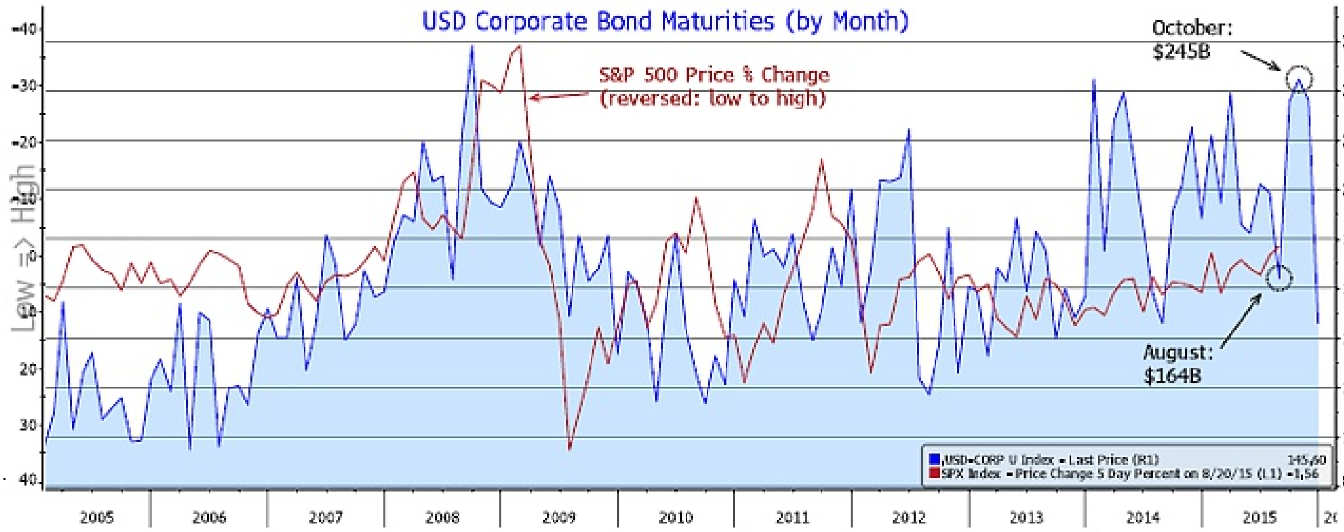
Source: Bloomberg

(cont.pg.40)

Credit Leads... (cont.)

GLOBAL RISK APPETITE

It isn't just in HY. It is also in IG Corporate Bonds.



Something is looming!

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U.S. COMPANIES WARN OF SLOWING ECONOMY

QE VS NEGATIVE RATES:
A COST-BENEFIT ANALYSIS OF THE MONETARY TWILIGHT ZONE

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VIX - Weekly & Daily

as of Friday October 30th, 2015

Weekly

Potential spike in to the new year to ~$64.00. This can be seen from the wedge pattern and significant market levels. While there is possibility for lower levels, the market is not far from previous lows already and an **increase** in volatility is expected.

Daily

Potential ellipse pattern can be seen from last fall off. Suggests increased volatility if pattern holds. Market being held by the 13ma, break of this would indicate potential lift. W%R lifting, at resistance – break would indicate more lift potential.

CHINA IS ABOUT TO UNVEIL THEIR NEXT FIVE YEAR PLAN: HERE'S WHAT YOU NEED TO KNOW

by James Corbett
www.corbettreport.com

TheInternationalForecaster.com
October 28, 2015

Maybe you didn't know that the Chinese Communist Party is convening the 5th plenary session of its 18th Central Committee this week. Perhaps you didn't know that they'll be deliberating on an economic development blueprint that has been prepared to steer the country's centrally planned economy for the next five years. And it's possible you didn't know that this is the 13th such five year plan in the history of the Chinese Communist Party.

Well, if you didn't know about any of this then you're in luck! Chinese Communist Party mouthpiece Xinhua News has crafted a truly bizarre little cartoon music video to "explain" the whole phenomenon to you as if you were a five year old!

select image to watch on youtube

(cont.pg.44)

China's 13th 5 Year Plan ... (cont)

That's right, as the Chinese propaganda video's catchy, eye-popping, utterly vapid and content-less song advises us, "If you wanna know what China's gonna do, you best pay attention to the shisanwu." Naturally the video glosses over what the shisanwu even is (for the record it literally means "13/5" and is a reference to the 13th 5-year-plan), let alone how to pay attention to it. But at least it gets your toes tapping and makes you all warm and fuzzy for command and control economics administered at the barrel of a gun by a dictatorial communist government, hey? Yay authoritarianism!

For those who prefer a little more depth (and a lot more skepticism) of their government-run economic central planning schemes, here's a run down of what you need to know to impress your friends around the water cooler tomorrow morning.

What's this all about?

The Central Committee is (at least officially) the Chinese Communist Party's highest authority when the National Congress isn't in session. Its 205 members (and 171 alternates) are "elected" to five year terms by the National Congress and the Committee convenes seven plenary sessions in each term. The fifth plenum (the one being held this week) is devoted to reviewing, discussing and unveiling the rough draft of the country's five year economic development plan.

China has been drafting five year plans since 1953, and, being born in the era before the Sino-Soviet split, the process was consciously modeled on the Soviet economic planning process. There is a central five year plan, drafted by the National Development and Reform Commission, which lays out specific economic goals (like GDP growth targets) and social development priorities in areas like health care and education. Local governments likewise devise their own five year plans to work out the specifics of how they will help implement the central five year plan.

CCTV News Report

select image to watch on youtube

(cont.pg.45)

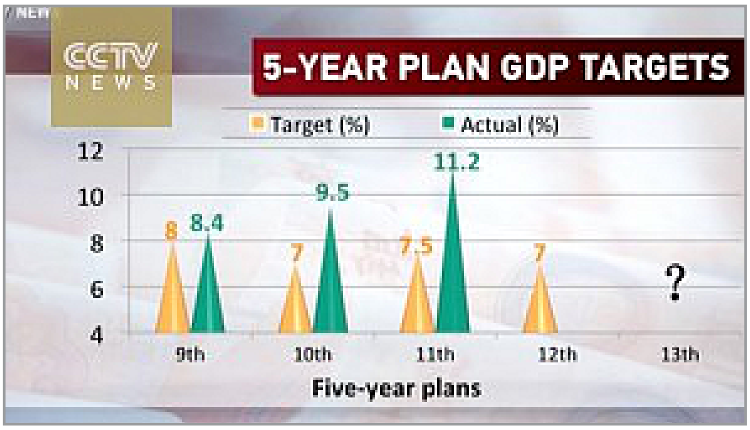
China's 13th 5 Year Plan ... (cont)

The plan is drafted in advance of the plenum, reviewed and discussed by the Central Committee, then revealed to the public in the form of dense, jargon-laden, generally impenetrable documents. It is not formally adopted, however, until the next meeting of the National Congress in March.

What do we know about this five year plan?

In short: not a lot.

We know what China is concerned about, and what is likely to be addressed in the plan: how to maintain GDP growth in the face of a global economic slowdown, for starters. Also, how to maintain its GDP growth rate while the global economy slows down. And did I mention GDP growth maintenance in a worldwide economic slowdown?



Yes, there may be other aspects to the five year plan but this is the one that is likely to receive all the emphasis, and why not? If the complete collapse of the Soviet system taught us anything, it's that workers in a centrally planned economy only care what the bottom line expectation is so they can figure out how to cheat their way there. In China's "red capitalism" system the only difference is that the pressure is more on the lower level party leadership to deliver the properly fudged numbers than on state workers to pretend to produce more.

As for how this plan will specifically crack the nut on growing China's economy over the next five years, officials are maintaining tight lips. There are largely meaningless articles in state propaganda outlets like Xinhua and China Daily that point out that China will have to maintain at least a 6.5% GDP growth rate to meet Beijing's economic goals for 2020, but official sources are largely devoid of details so far.

So what can we expect in the plan?

OK, OK, OK. This is "The International Forecaster" column, isn't it? So let's forecast a little.

Firstly, the plan is very likely to reduce the GDP growth target to the more realistic 6.5% level, as some outlets are reporting. The global slowdown is not in question. Nor is the Chinese slowdown. Nor China's effort to switch from an export economy to a

(cont.pg.46)

China's 13th 5 Year Plan ... (cont)

dragon and no amount of number fudging is going to convince anyone that the country has managed to hit their 7% growth target smack dab on the nose once again (what a surprise!), so some expectation reduction is inevitable. However, as others are pointing out, anything below 6.5% will mean that Beijing will fail to meet their 2020 goals, so that would be unacceptable. Thus, come hell or high water, China is going to aim at 6.5% growth per year over the next five years and by golly they're going to get there…no matter how many numbers they have to make up!

Secondly, the plan will call for greater competition with international bodies on a range of issues. From climate change to intellectual property to the international monetary system, the Chinese oligarchs have fallen over themselves in recent months to demonstrate that they're more than willing to play game with the western oligarchs. That trend will be on full display in the coming months, with new reports suggesting that the yuan is all but guaranteed to join the IMF's Special Drawing Rights basket next year and Beijing seemingly on board with the CCCOP in France this December (which is once again threatening to create a global carbon tax). Look for the five year plan to offer more rhetoric about "cooperation on global challenges" and other mealy-mouthed globalist platitudes.

Thirdly, President Xi's push against corruption in the party, stage-managed and fake as it may be, will doubtless be reflected in the new plan. Cai Zhiqiang, a Party School of the CPC Central Committee professor told state-run Global Times that the coming plenum may actually announce punishments for some officials who have been found guilty in Xi's corruption purge, which has so far punished 80 high-ranking party officials and hundreds of lower ranking members.

Fourthly, there will no doubt be stress on projects toward the creation and furthering the country's "One Belt, One Road" economic policy for developing land and sea trading routes that will connect China to areas from Southeast Asia all the way through to Europe. Recent moves in further cementing this policy include Beijing's successful bid to construct a 140 km high-speed rail network in Indonesia and CIC Capital's recent acquisition of 65% of outstanding shares in Kumport Terminal, a leading Turkish container terminal near Istanbul, for $940 million. The new plan will doubtless call for the expansion and solidification of these trading corridors, which will bring it into friction with its neighbor and regional rival, Russia, whose own Eurasian Economic Union competes with Beijing for economic access to the same pivotal Central Asian region.

(cont.pg.47)

China's 13th 5 Year Plan ... (cont)

Of course, there are always curveballs and new initiatives that get thrown into these types of grand plans, so look for a flurry of eye-popping, toe-tapping Communist Party propaganda to unleash that on the public in the weeks following the plenum. But those who truly do wanna know what China is gonna do is advised to tune out the cartoons and stay tuned to these pages for continuing coverage of the shisanwu.

- end -

Contents Page

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TECHNICAL TRADING
EXAMPLES

The last few months we have been discussing technical trading and trading plans.

The proper technical set-up of the chart leads to obvious potential opportunities that can be mapped out well in advance (technical trading plan).

These plans are detailed, including entry, exit and stop considerations. Potential opportunities are mapped out for either a lift or a fall of the market, giving an unbiased plan. Direction then becomes irrelevant, and action can be taken regardless of personal feelings of how the market should behave, but rather on ***how it actually does behave***.

This month we continue discussing technical trading plans, offering more examples to show their effectiveness.

PENN

Having lifted from support at **L**, the market was coming up on the 34ma. We can see the market had previously found resistance from the 34ma on the way down. IF resistance occurred again, a move back to previously lows could be expected; breaking through the green s/r zone below the market could offer a technical trigger.

IF the 34ma failed to hold the market, then a lift back to retest the solid green trend line, with a target at **M**, was the next move to watch for. Breaking the 34ma offered a technical trigger.

The technical plans can be seen in orange, with arrows offering potential moves and hard levels being marked for consideration.

(cont.pg.50)

Technical Trading... (cont.)

Chart 2 shows us the 60min view of PENN. Dropping down a time frame we can find more technicals for potential trigger considerations (TC's).

Another potential target was observed (N), sitting on a grey trend line that offered a TC if broken.

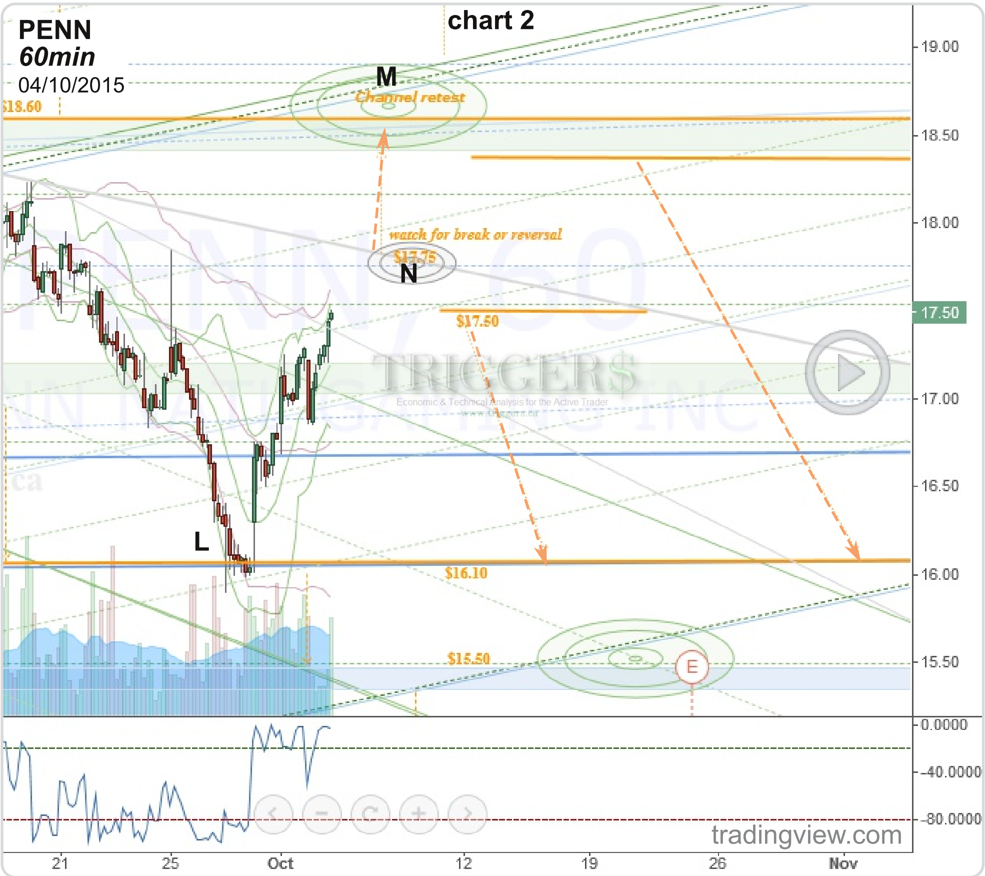
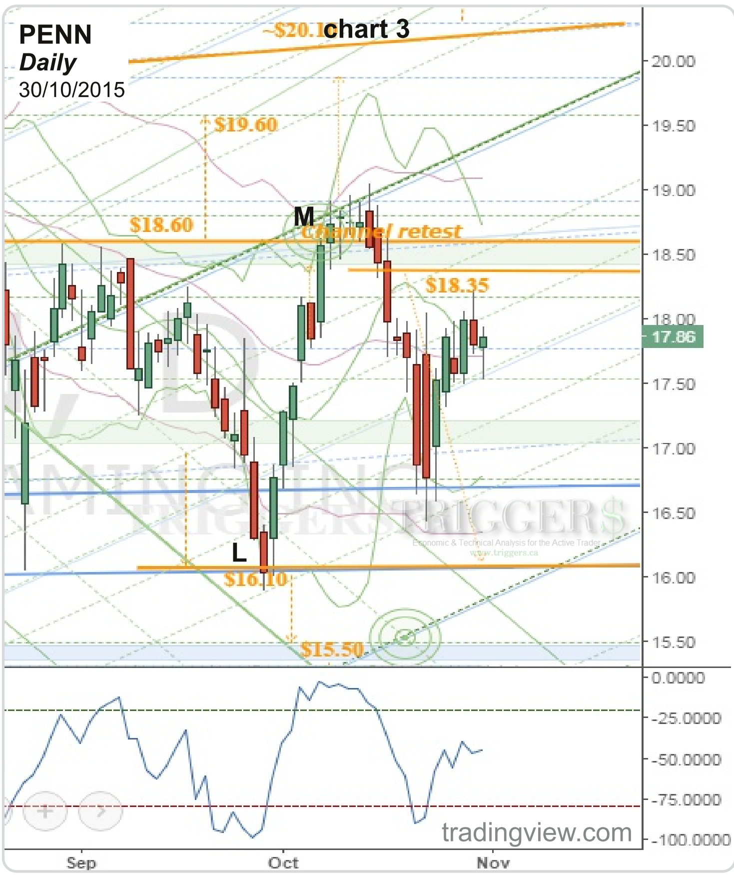


Chart 3 is the current market (30/10/2015) and looking at the daily time frame again.

PENN breaks the 34ma and lifts in to High Probability Target Zone (HPTZ) at M. Note the confluence of technicals that can be seen at M: both UBB's; the green s/r zone; the solid green support / resistance (s/r); and Fib retracement levels. These all seem to come together where the market meets them, and then separate again as the market falls away. Classic HPTZ in action.

Note the red daily bars as the market fell off. The first 2 find support within the green s/r zone; the 3rd red bar drops to the 34ma; the next 2 are at the 34ma; the 6th bar drops to the green LBB; 7th bar bounces between the pink 34ma and green LBB.



(cont.pg.51)

Technical Trading... (cont.)

The green bars that can then be seen as the market lifts find resistance and support back at the ma's again.

Note the market moving from technical to technical!

Chart 4 shows us what occurred from the 60min perspective. The market lifts to the green Fib level and bounces off it at **1**. The retrace or consolidation drops in to HPTZ(N) and finds support at the grey s/r.

If you follow the market as it lifts from N, in to M and then falls off again, you can see it reacting to the technicals on the chart as it moves from one to the next. These offer potential opportunities!

While the technicals and trading plan can be useful for trading the stock outright, I wanted to see how this would fair with an options trade. I'm new to options and just really exploring their potential with the technical moves, chart forecasts and the HPTZ methodology. I'm sure there were better ways to capitalize on the movements, but as I said – I'm just exploring!

To do my exploring I have started using TraderMob.com. They have free "paper" portfolios that use a real-time feed for stocks and options. It is an excellent way to test out new strategies and learn market dynamics.

On Thursday, October 8th 2015, @ 2:50:42 pm I "purchased" (paper trading!) 100 PENN Nov 18 Puts @ $0.575 – seen on the chart at **2**. The market had found resistance at the green s/r and I was betting it would hold. Had it broken and the market then found support from it, I would have exited – this was my stop.

The markets "rides" the green s/r, never breaking through it, but making new highs. At one point the options were down 17% (-$1k from $5,750).

The market finally breaks and **3** is where I sold the options @ $1.15, for a $0.575 gain, or +100%.

(cont.pg.52)

Technical Trading... (cont.)

Note that this wasn't the absolute low of the market, but at significant technicals: green s/r zone and LBB. As I said, I am still just learning options: I suspected the recent drop from the market expanded the puts nicely, and any pause, consolidation or pullback would remove any gains in the puts from that dynamic of their pricing (increased volatility). Expecting some sort of reaction at the technicals, I took my profit when the market was at the lower end of the green s/r zone and +100% gains. That was in about 2 weeks or 10 trading days.

TILE

This trade initially went against me in a big way, testing my stop before moving in my favour.

Chart 5 shows the initial set up and trade plans that were being watched.

The two open gaps below the market had my attention. A decent fill around $22 could see a $5 gain (23%) with the market moving under $17 to close the lower gap.

There was also a significant solid blue s/r above the market that was the resistance for the larger pattern the market was in. If the market broke above the last highs (**M**, $26.70) a move to the blue s/r around $28.80 + could be seen (8% gain).

This was another "lesson" for me in technical trading. The structure at **N** turned in to a nice sideways channel, which my own rules dictate I must wait for a break of and follow along with the market. I was *sure* that the developing structure was a sideway consolidation that would break downward and continue the larger trend. I ***KNEW*** it. Rather than waiting for confirmation and following my own rules, I jumped on the short prior to the channel breaking – the current wave was going to break through the bottom of the channel I wanted to get the best price I could.

Chart 6 shows the channel that developed on the 60min time frame. It is pretty clear and offered the perfect technical opportunity for a break out of the channel, up or down. (It was however going down…)

Chart 7 shows what occurred.

(cont.pg.53)

Technical Trading... (cont.)

red bars highlight channel – just *know* it's going to break down

TILE
60min

chart 6
Oct 6th

chart 7
Oct 20th

Market breaks up, lifts to channel resistance at O.

What the kick in the pants about this is, and where my own lesson in technical trading is ***again learnt***, if I had just followed my own rules I could have caught the break out of the channel up and rode it to the next obvious significant s/r, **O**. **O** is the trend line resistance that has held the market within a channel since it started falling off in August. This was a potential 10% gain in less than a week.

Woulda, shoulda, coulda…

What did happen was I entered a short at $22.05 in anticipation of the break of the channel to the down side. The channel resistance at **O** was my stop, and it almost gets tested.

Fortunately the channel holds and the market continued on with the larger downward trend. Had s/r **O** broken, I would not have only missed out on a potential gain (very foreseeable & predictable gain, lift from the highlighted channel), but the overall trade would have been in the red for getting stopped out.

(cont.pg.55)

Chart 7 is the daily view of the current market (30/10/2015).

Significant s/r **O** held and the market fell off hard, continuing the previous down trend and filling the first of the two target gaps.

Note that the drop spiked down to the top of the 2nd gap.

As this isn't an option trade I don't have to worry about time decay, volatility, expiration etc. I can allow the market to play out a little longer to see if it is going to fill the lower gap.

Conclusion

Hopefully these examples have demonstrated the importance of a proper technical chart and how potential opportunities can be seen from it. The establishment of the plans above is nothing more than highlighting the significant technicals and marking a likely move to the next technical. Once the chart is set up, potential moves become almost obvious.

Practicing these trades through TraderMob I was able to teach myself one of my own lessons, and hopefully reinforced it for the next time…

Thank-you &
Good Trading
Andrew J.D. Long, *MFTA*

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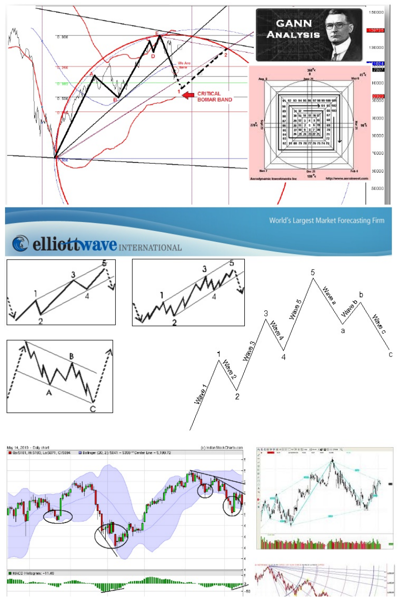

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Letters to the Editor
Readers Comments
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Under Development

Contents Page

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Portfolios & Watch Lists!
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Take Care
& Good Trading
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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 20 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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Have something to say? TRIGGER$ is read by all levels of market participants: investors, traders, brokers, managers etc. Get your message out to those who are serious about their market involvement. Contact goldenphi@triggers.ca to place yours.

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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.