TRIGGERS MEDIA PUBLICATIONS INC.

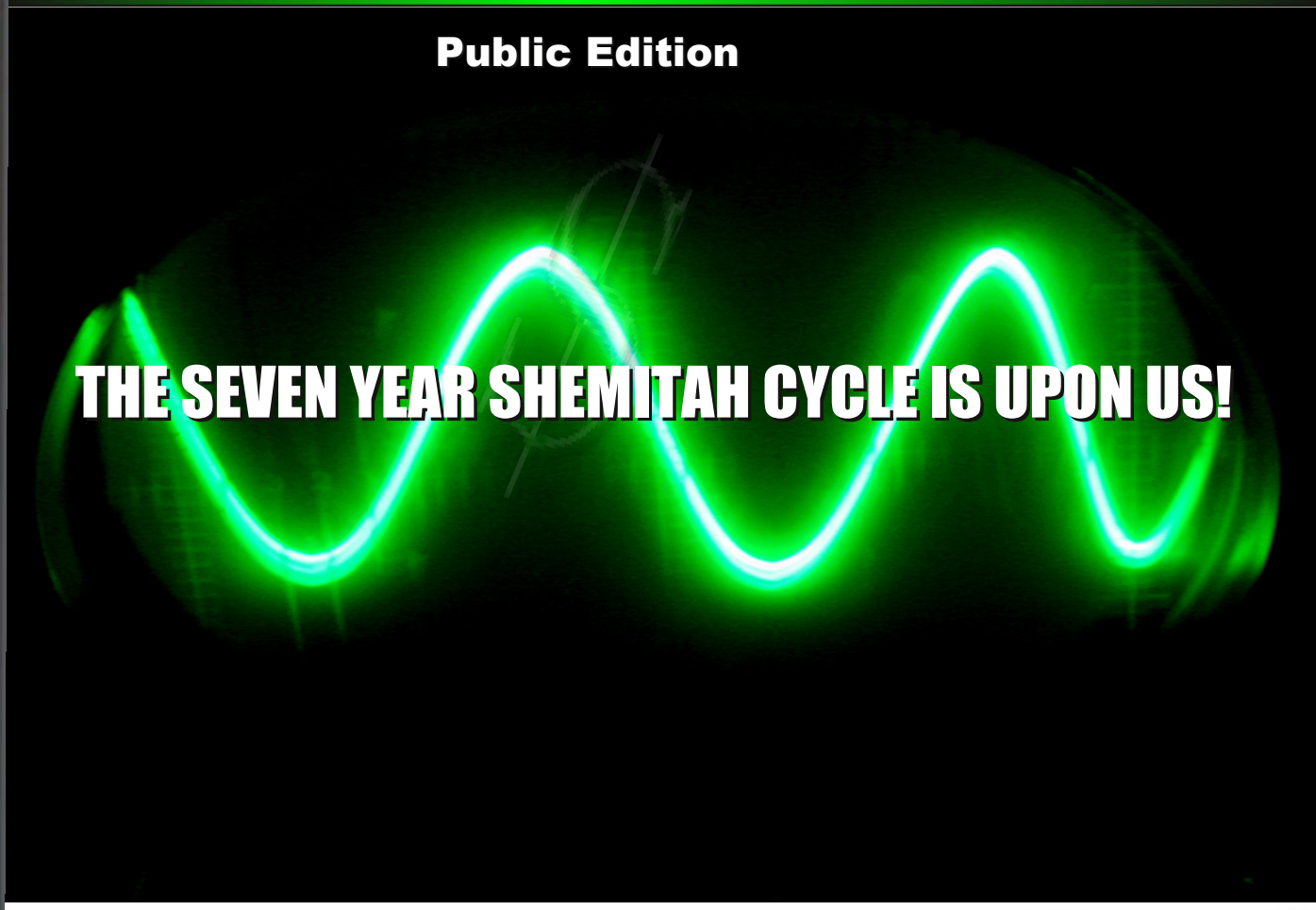
TRIGGER$

Economic & Technical Analysis for the Active Trader

www.triggers.ca

SEPTEMBER 2015
Vol.V, Issue #9
Public Edition

Public Edition



THE SEVEN YEAR SHEMITAH CYCLE IS UPON US!

Rx: "INTERNAL" HEMORRHAGING & OUT OF "BREADTH"?

TECHNICAL TRADING: PLANNING THE TRADE

The CURRENT TECHNICAL MARKET & WHAT COMES NEXT

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

GLOBAL CONFIDENCE ERODING FAST!

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

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TRIGGER$

Economic & Technical Analysis for the Active Trader

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PUBLIC
Contents

Public Edition

Welcome to ***TRIGGER$ Free Public Edition*** of our September 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 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!

use the Public Edition Contents to navigate this issue

FREE MEMBERSHIP REGISTRATION! GO NOW!

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(Public Edition)

Full Content | ***Partial Content***

Contents

(Public Edition cont.)

Full Content | *Partial Content*

Welcome to ***TRIGGER$!*** **SEPTEMBER 2015** ***Vol.V, Issue #9***

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 looks at the Shemitah cycle and the current climate, warning of more potential disaster ahead. His Feature Driver article discusses failing Global Confidence and its implications. His third article looks at the hemorrhaging market internals.

Andrew gives us two technical articles to consider, discussing the current technical market and planning the technical trade.

All our usual sections are here as always to offer different perspectives and aid in your market understanding.

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

TRIGGER$ Media Publications Inc.

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Publisher & Editor : GoldenPhi
Technical Analysis: GoldenPhi & Gordon T. Long

September 2015 - Public Edition

TRIGGER$

Economic & Technical Analysis for the Active Trader

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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"

Looking at key events many have observed that there appears to be a 7 year cycle. For example looking back at the most recent multiples (going back in 7 year increments), we can see it marks some major adverse market events.

Year	Event
1973	Oil Shock/Stocks Crash
1980	US Recession
1987	Stock Market Crash
1994	Bond Market Crash
2001	9-11 / Stocks Crash
2008	Subprime / Stocks Crash
2015	EM/Stock Crash????

(cont pg.4)

The Seven Year... (cont.)

THE SEPTEMBER *"SHEMITAH"*

My friend and repeat Macro Analytic guest, Jeff Berwick has published extensive work on what he sees to be a critical confluence of indicators during September 2015. They are centered on September 13th, 2015. Financial analysts on Wall Street call it the "end of a seven-year cycle."

click image to go to youtube & watch video

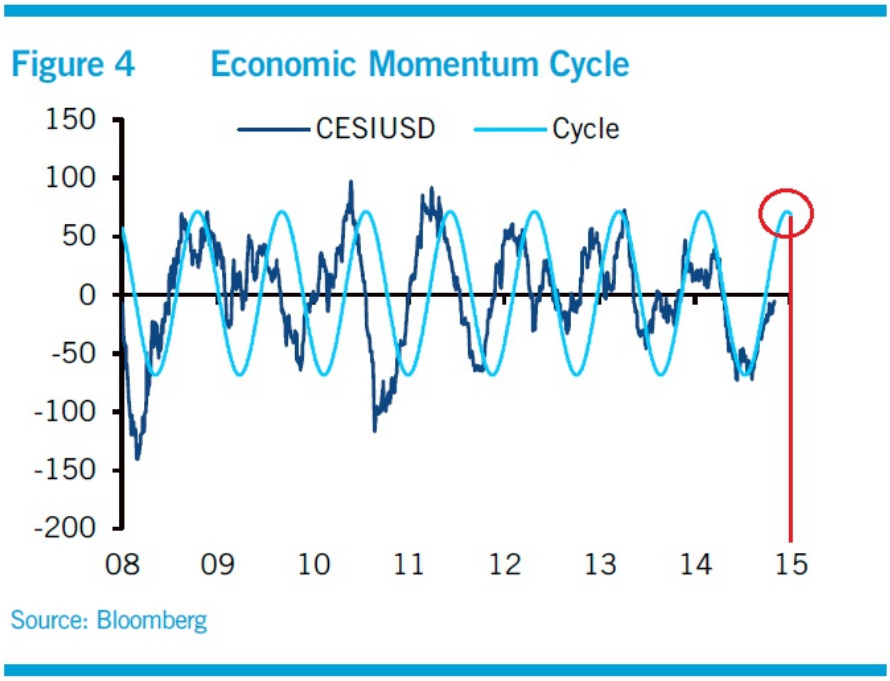
White Paper
http://surviveshemitah.com/shemitah/

Jeff's work would suggest that minimally, extreme caution is advised, now through the end of Q3 earnings season.

CONFIRMING PATTERNS

The Economic Momentum Cycle

Separate from Berwick's work I see many additional patterns that support his findings.



(cont pg.5)

The Seven Year... (cont.)

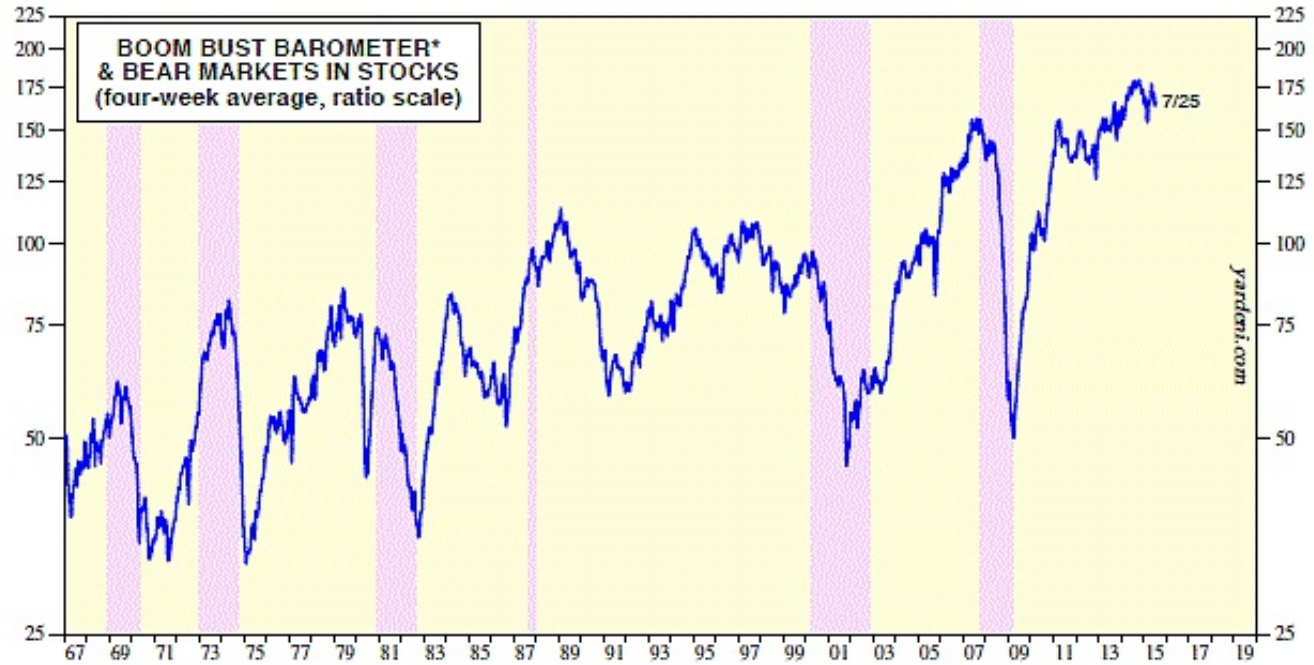
Boom Bust Barometer

Here is a chart produced by Wall Street legend Ed Yardeni. This chart illustrates the weekly average of the CRB raw industrial spot price index divided by four week average of initial unemployment claims.

The CRB raw industrials spot price index is a very good daily real-time indicator of the global economy. It's looking bearish for stocks currently. When divided by initial unemployment claims to derive Yardeni's Boom-Bust Barometer, it suggests two things:

1. We are on the upper side of the trend channel suggesting some corrective action can be expected,

2. A seven year cycle is clearly evident against the shaded areas where S&P 500 declines of 20% are shown.



* Weekly average of CRB raw industrials spot price index divided by initial unemployment claims, four-week average.
Note: Shaded red areas denote S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Source: Commodity Research Bureau and US Department of Labor.

Again the seven year cycle is evident. This is probably a little more telling in that it relates to agricultural crop cycles.

(cont pg.7)

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Sprott INC.

POWERONE CAPITAL MARKETS LIMITED

SANDSTORM GOLD

CLARUS SECURITIES INC.

GMP Securities

CANACCORD Genuity

SOROS BROTHERS INVESTMENTS LLC

The Seven Year... (cont.)

GLOBAL SLOWDOWN WELL UNDERWAY

SLOWING FREIGHT VOLUMES & FALLING SHIPPING RATES

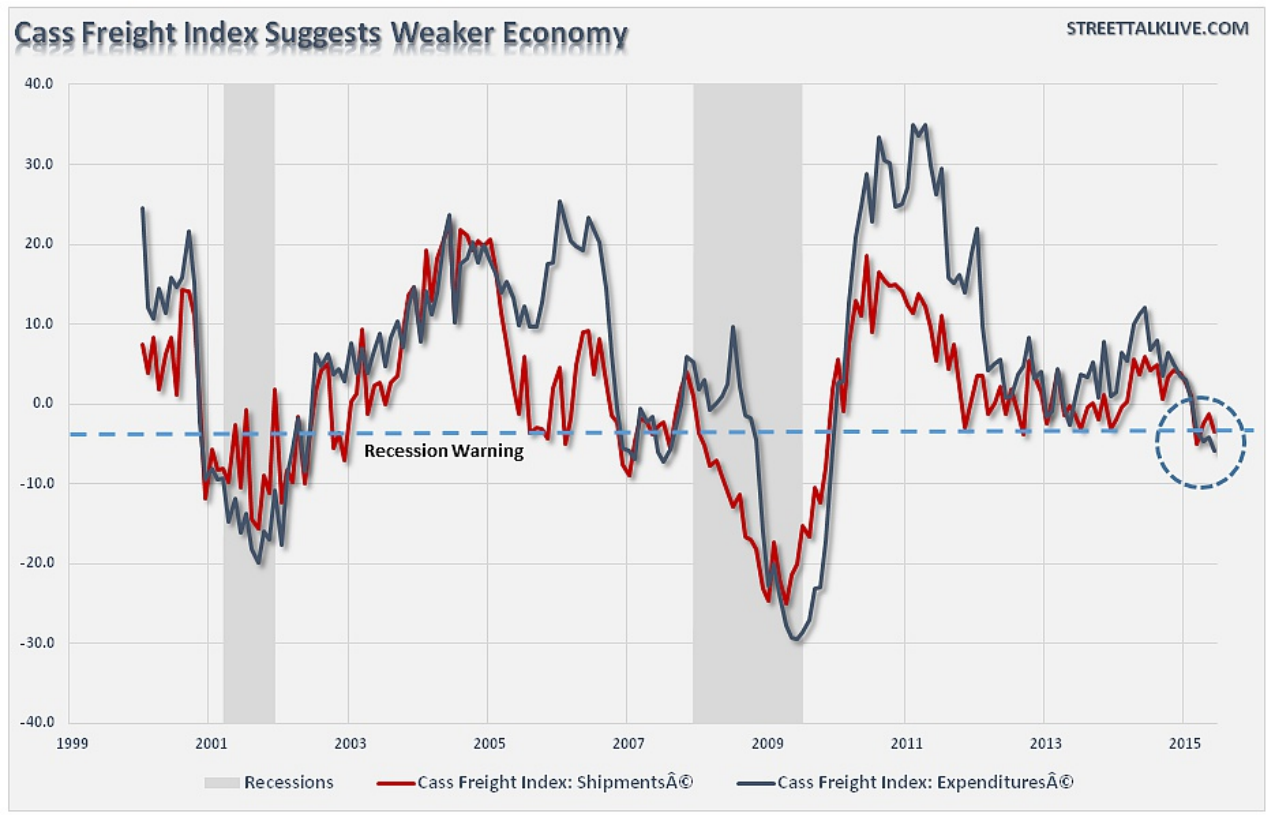
Lance Roberts writes:

We often look at broad measures of the economy to determine its current state. However, we can often receive clues about where the economy may be headed by looking at data that feeds into the broader measures. Exports, imports, wage growth, commodity prices, etc. all have very important ties to the health of the consumer which is critical to an economy that is nearly 70% driven by their consumption.

While I have discussed the importance those issue in the past, there are other indicators that can also provide valuable clues. One such example is the Cass Freight Index. From the Cass website:

"Data within the Index includes all domestic freight modes and is derived from $26 billion in freight transactions processed by Cass annually on behalf of its client base of hundreds of large shippers. These companies represent a broad sampling of industries including consumer packaged goods, food, automotive, chemical, OEM, retail and heavy equipment. Annual freight volume per organization ranges from $1 million to over $1 billion. ***The diversity of shippers and aggregate volume provide a statistically valid representation of North American shipping activity."***

The chart below is the annual change in both the shipments and expenditures on freight shipments since 1999.



(cont pg.8)

The Seven Year... (cont.)

IMPORT EXPORT VOLUME

(cont pg.9)

The Seven Year... (cont.)

Lance Roberts also writes: **Deflationary Pressures on the Rise**

> Speaking of exports and imports, imports are currently suggesting that deflationary pressures are once again on the march globally. Deflationary pressures abroad ultimately force down import prices into the US economy which aggravates the deflationary cycle. With the strong dollar dragging on exports, a decline in import prices further deteriorates corporate profitability.

Albert Edwards at Societe General recently noted:

> "We expect the acceleration of EM devaluations to ***send waves of deflation to the west to overwhelm already struggling corporate profitability*** and take us back into outright recession. As investors realize yet another recession beckons, ***without any normalization of either interest rates or fiscal imbalances in this cycle***, expect a financial market rout every bit as large as 2008."
>
> There are a couple of important points that Mr. Edwards is making. The first is that in an already weak economic environment, further deflationary pressures will continue to detract from corporate profitability and further slow already slow economic growth. Secondly, and more critically, with interest rate policy still near the zero bound there are few policy tools available to combat an economic recession.
>
> The chart below shows the annual change in imports and exports. Imports are driven by domestic demand. As consumers demand more goods or services, imports increase to fulfill that demand. Exports are an indication of global demand. Therefore, if the economy is expected to grow more strongly in the quarters ahead, should not imports and exports be on the rise?

WORLD TRADE VOLUMES

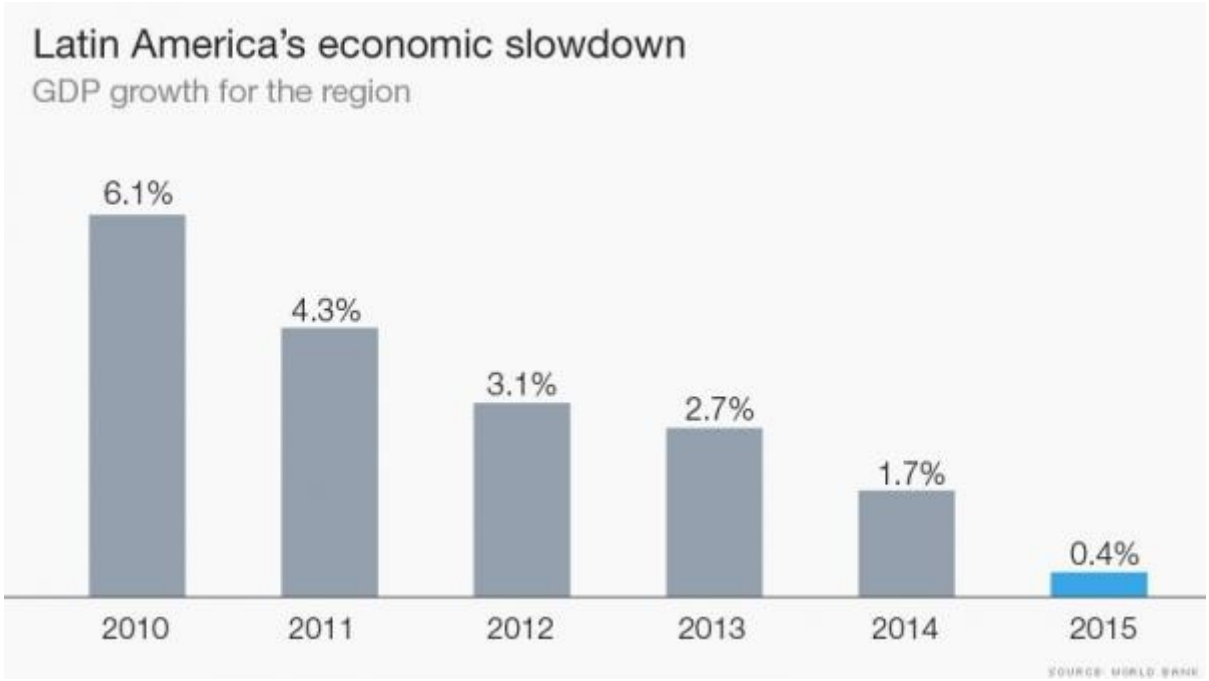
(cont pg.10)

The Seven Year... (cont.)

REGIONAL VIEW

We could go around the world to see the carnage that is now occurring but it may be more instructive to look at a peripheral region such as Latin America that is very dependent on other economies for its exports.

Latin America overall shows a steady erosion over the last 15 years. This chart indicates that the current economic environment is a secular slowdown with overlaying cyclical patterns.



(cont pg.11)

The Seven Year... (cont.)

TRIGGERS.CA PREDICTED THIS

Triggers.ca has been calling this period of disruption since March 2015 (marked "Y").

MATA has been talked about Q3 2015 Quadruple Witch as a turn point for over two years.

S&P
March 2015

image saved / published on Trading View

published in TRIGGER$

S&P
April 2015

S&P drops to HPTZ(X). As the market develops new technicals and targets are added: X1, X2 and Y1.

S&P
August 24 2015

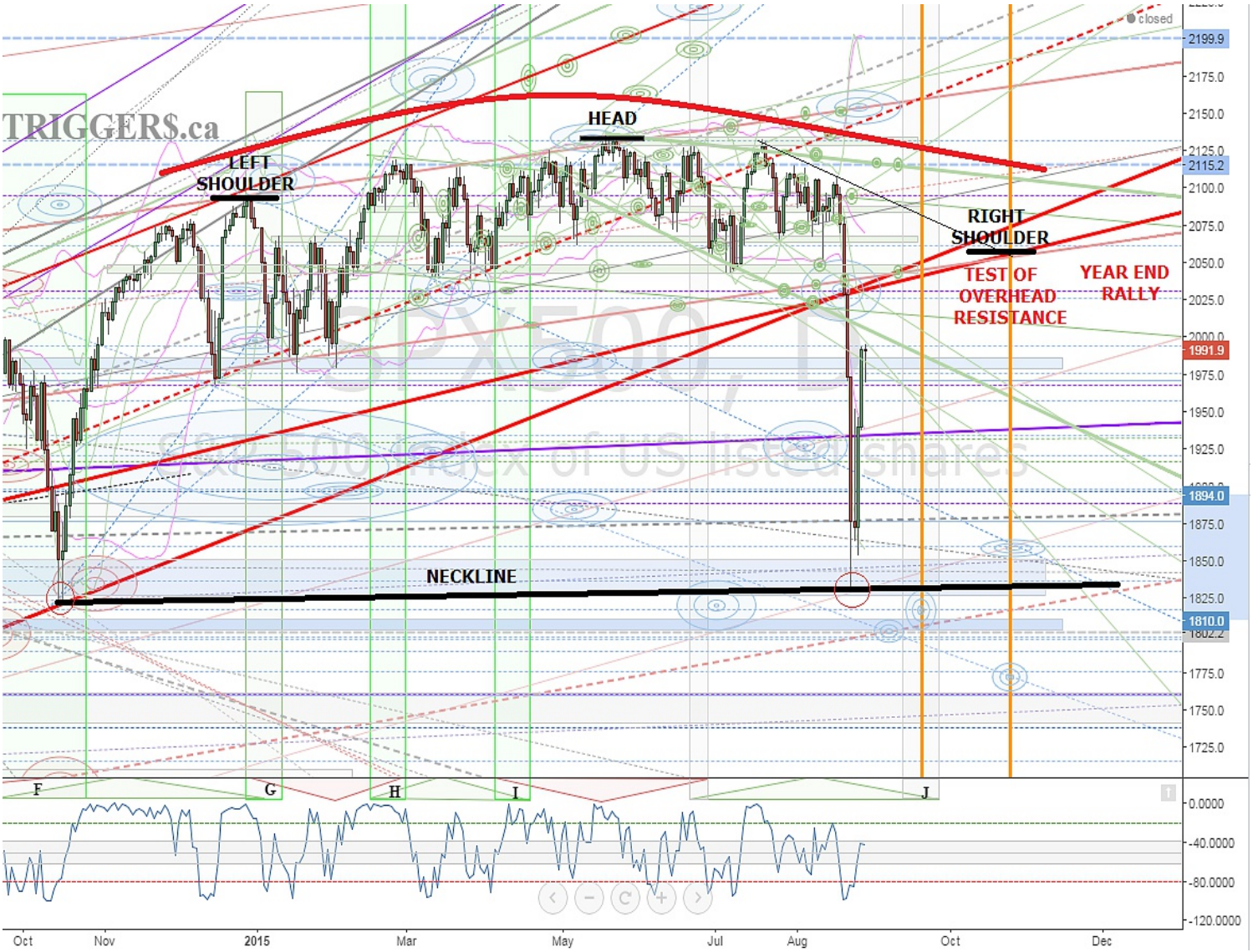
Moving sideways and lifting slightly the market hits HPTZ(X1) and continues before falling off through HPTZ(Y) and touching the right hand side of HPTZ(Y1). Five months later and we can see the market moving to previously identified target areas. Despite significant movement (sell off), the market continues to respect the technicals.

image of market August 24 / 2015

(cont pg.12)

The Seven Year... (cont.)

What do we see next?



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Methodology

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METHODOLOGY

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

Crude Oil
Crashing Inflation Expectations
+ more!

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WTI Crude Breaks Below Historic $40 Level, Energy Credit Spikes To Record Highs After Rig Count Rise

Low Oil Prices Could Break The "Fragile Five" Producing Nations

SocGen: "Markets Have Lost Faith In Monetary Policies"

10Y Slides Back Under 2%, Precisely What Goldman Said Could Not Happen

Global Trade In Freefall: Container Freight Rates From Asia To Europe Crash 60% In Three Weeks

This Wasn't Supposed To Happen: Crashing Inflation Expectations Suggest Imminent Launch Of QE4

TECHNICAL WARNINGS & MARKET CALLS

A quick review of our S&P market analysis this year. While the recent market moves have caught some by surprise, we have been expecting it for some time. As you will see, several warnings were clearly given.

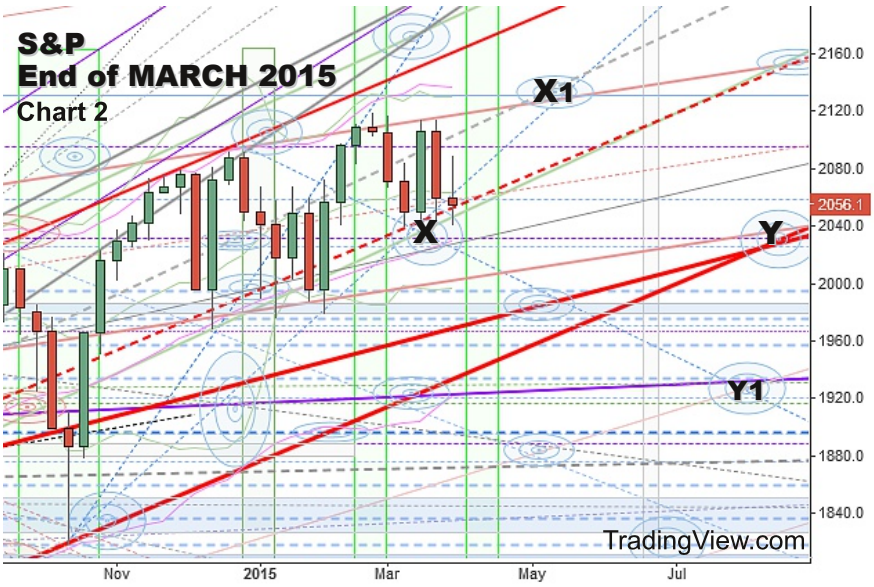
Charts 1 - 3 were published at the beginning of spring this year. These are weekly charts and you can see that targets are identified well in advance.

Chart 1 was published at the end of February identifying targets **X** & **Y**. See **charts 3** & **4** for the significance of **HPTZ(Y)**.

Chart 2 shows the market at the end of March and was published in our April issue. The index dropped down to **HPTZ(X)**; two more targets were identified: **X1** & **Y1**.

Chart 3 was at the end of April and published in our May issue. In this chart we are following / focusing on the controlling channels for the market.

You can see several trend lines coming together at **Y**. **Chart 4** shows us their origins and significance.



(cont pg.16)

Chart 4 shows the significant technical confluence at **Y**: support from *Channel 1* (2004); support from *Channel 2* (2011); resistance & support from 2010.

Chart 5 is our long term weekly view at the end of August, showing us what happened.

Lifting from **HPTZ(X)** the market moves to **HPTZ(X1)** before falling off and making its way to **HPTZ(Y)**.

Significant support from multiple trend lines fail at **Y** and the market continues to sell off.

The market spikes down beside **HPTZ(Y1)**, ultimately finding resistance at a previously identified significant market level (blue /r zone).

(cont pg.17)

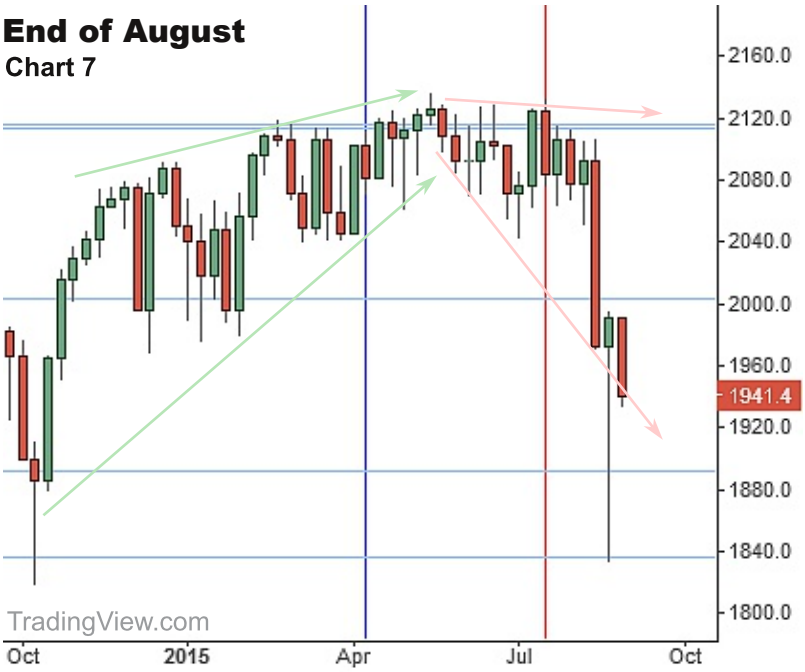
Another long term weekly chart we had been following applied specific Fibonacci Time & Price studies.

Note: Fibonacci Time Extentions from GTL MATA study & TRIGGER$

Chart 6 above was regularly published each month in ***TRIGGER$*** as we kept an eye on key Fibonacci extensions.

This significant timing event had us watching target **Y** from the previous charts closely. If the red channel support that had been holding the market since 2011 *(and the longer term support from 2004)* was broken through, then Fibonacci timing suggested the event could be a significant one and the start of something larger.

Chart 7 is a closer view of the same chart, updated till the end of August. Not only does the red Fibonacci time extension seem to mark the start of the fall off, but the fall off itself does so to a predefined Fibonacci price level.



PATTERN ASSESSMENT

Market contracting with a positive slope.

Market expanding with a negative slope.

(cont pg.18)

End of August
Chart 8

Published at end of June for July issue.

The overall pattern at this time looks to be an expanding wedge and we will see if it holds fairly soon. If it does, then we can look for another lift before another potentially significant drop. If this is an expanding wedge, then we can expect increasing volatility and larger swings.
One more lift and then another drop could take the market to the blue weekly target at the bottom right edge of the chart, playing out the expanding wedge.

The inlay in **Chart 8** shows what we had published in our July issue. An expanding wedge had been identified and a warning for the rest of the summer went out. An expanding wedge would mean increased volatility with larger price swings, accelerating with each wave (increasing slope, speed).

HPTZ(Y) was the first significant target to watch: this was potentially the last leg of the expanding wedge (most volatile); long-term Fibonacci timing was involved (charts 6 & 7); long-term channel support, if broken would be a break-out of a trend since 2011.

Channel support doesn't hold and the market has a significant sell-off. The drop falls beside **HPTZ(Y1)** ***given in March***, missing the edge of the target area by ***one day***. Ultimately the sell off ends up stopping at previously defined market support (blue s/r zone).

Not only did our long term technicals pan out, but the call in July for another lift and a significant drop on a Daily scale also materialized as analyzed. **Eight** daily ***HPTZ***'s (green targets) were hit as the market completed the expanding wedge pattern.

(cont pg.19)

The ***HPTZ Methodology*** used in ***TRIGGER$*** charts was the subject of a thesis paper written for the **International Federation of Technical Analysis *(IFTA)*** and their **Master of Financial Technical Analysis** designation ***(MFTA)***. The paper was published in this years **IFTA** journal and can be read (free) from their site, or clicking here will start a download of the ***2015 Journal*** in pdf. Look for "***The Identification of High Probability Target Zones (HPTZ)***", page15.

HPTZ PERFORMANCE *updated Aug 24 2015*

July 2012 - Aug 24/2015 HPTZ Forcast	SPX	USD	EUR/JPY	EUR/USD	VIX	OIL	GOLD	SILVER
Total # of HPTZ Forecasted	163	165	139	129	109	81	114	26
# Targets Hit: Both Price & Time*	124	137	105	108	89	70	85	21
# Targets Hit: Price Level Only*	21	15	21	9	11	4	18	2
Total # All Targets Hit**	145	152	126	117	100	74	103	23
# of Targets Missed	18	13	13	12	9	7	11	3

July 2012 - Aug 24/2015 HPTZ Forcast	Totals / %
Multiple Markets Combined Totals	All Markets
Total # of HPTZ Forcasted	926
# Targets Hit: Both Price & Time*	739
# Targets Hit: Price Level Only*	101
TOTAL # ALL TARGETS HIT**	840
# of Targtes Missed	86
Hit %: Both Price & Time Only	79.81%
Hit % All Targets Hit**	90.71%

**Both Price & Time* : *exact location for both proce & time was achieved*
* ***Price Level Only****: price level was reached but occured outside of the specified time frame. Only those price levels reached where the time element could be reasonably counted as "close" count as a hit (1-2 bars).*
** ***Total Combined*** *: number of "Price & Time" targets hit AND "Price Level Only" targets hit.*

All targets have been published to a subscriber base and are available for review upon request.

Want to learn the HPTZ Methodology for yourself? Private mentorships available, contact goldenphi@triggers.ca for more information.

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PROFESSIONAL SERVICES

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PROFESSIONAL SERVICES

TRIGGER$ offers Custom Services for Market Professionals and Businesses. Incorporate our HARDCORE analysis with your own ventures.

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.

HIGH PROBABILITY TARGET ZONES TRADING

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

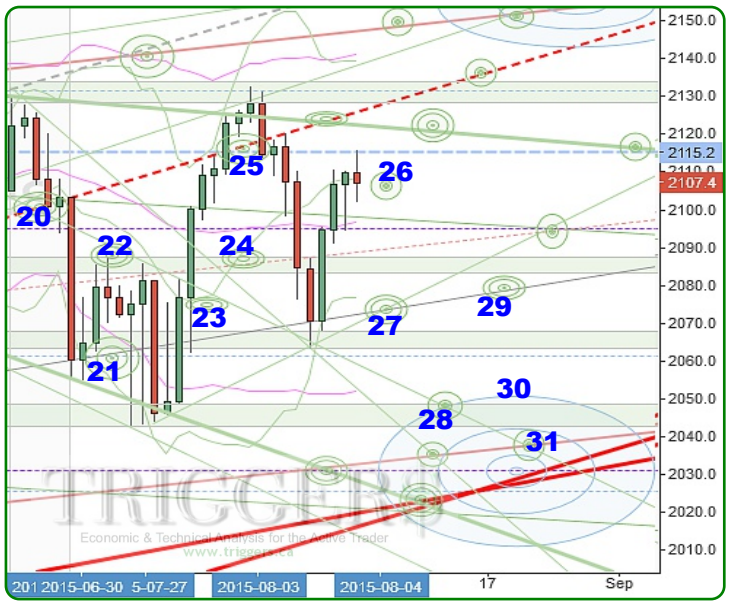
Several technical tools, techniques and methods are integrated and overlapped; where these tell a similar story, or ***places of technical confluence***, through both passive and active analysis, is where we have areas of interest or ***High Probability Target Zones***.

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)*

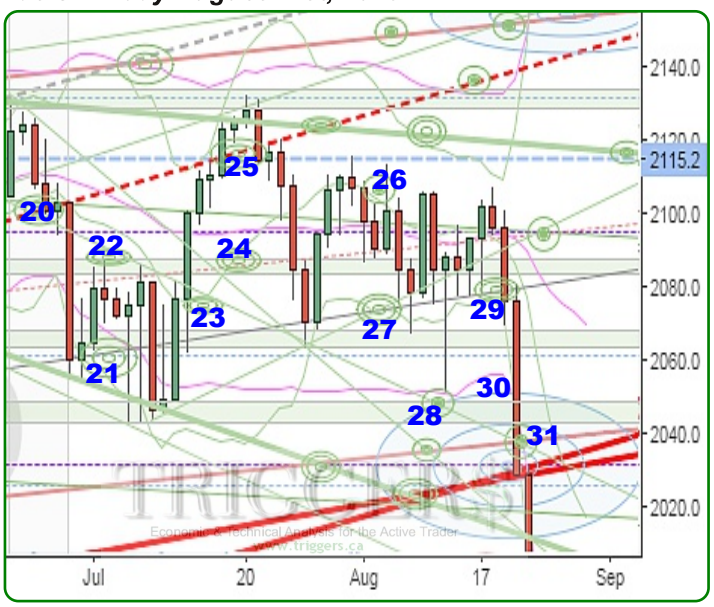
S&P

Published in August Issue



Looking for a move to the large weekly target at HPTZ(30) to finish off an expanding wedge pattern.

as of Friday August 21st, 2015



Market moves over to HPTZ(26), drops on top of HPTZ(27), spikes to HPTZ(28), drops through HPTZ(29) and (31), hitting long term weekly HPTZ(30).

(cont pg.22)

HPTZ Trading (cont)

S&P LONG TERM WEEKLY

Published in August Issue

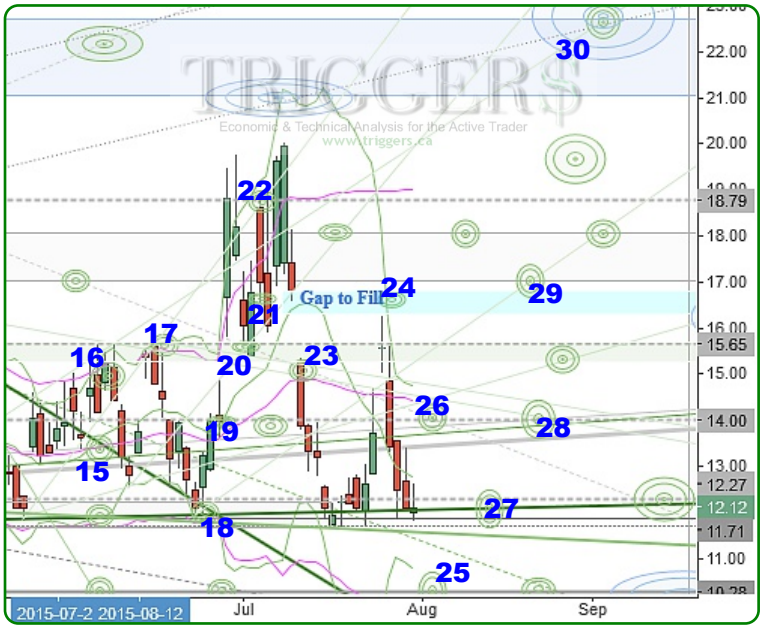
Watching for a move to the BB's, LBB expected at target HPTZ(30) and long term red channel.

as of Friday August 28th, 2015

Market has a significant drop, moving through HPTZ(30), red channel support and drops beside HPTZ(32), before finding support at previously defined support zone.

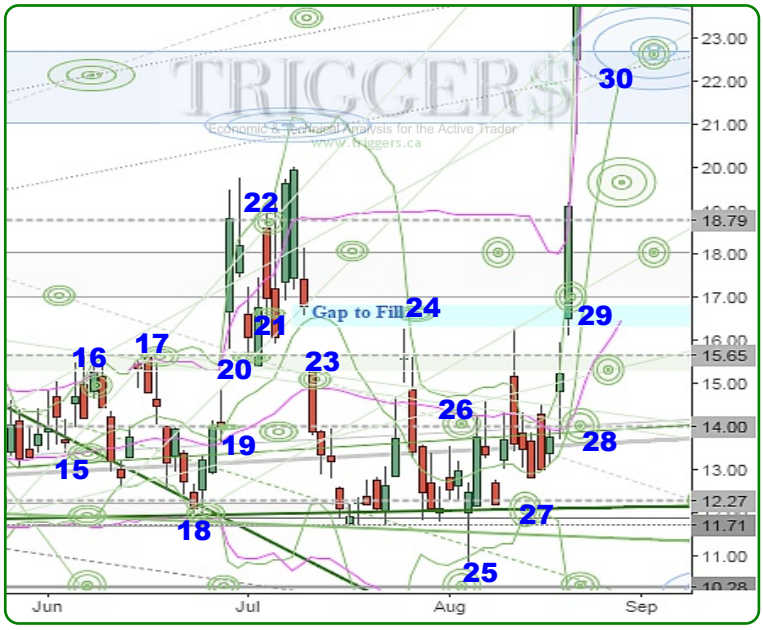
VIX

Published in August Issue



Gap to fill and multiple potential targets to consider

as of Friday August 21st, 2015



Market spikes down to HPTZ(25),lifts to HPTZ(26), drops down beside HPTZ(27), lifts through HPTZ(28),(29) and (30) while filling gap.

(cont pg.23)

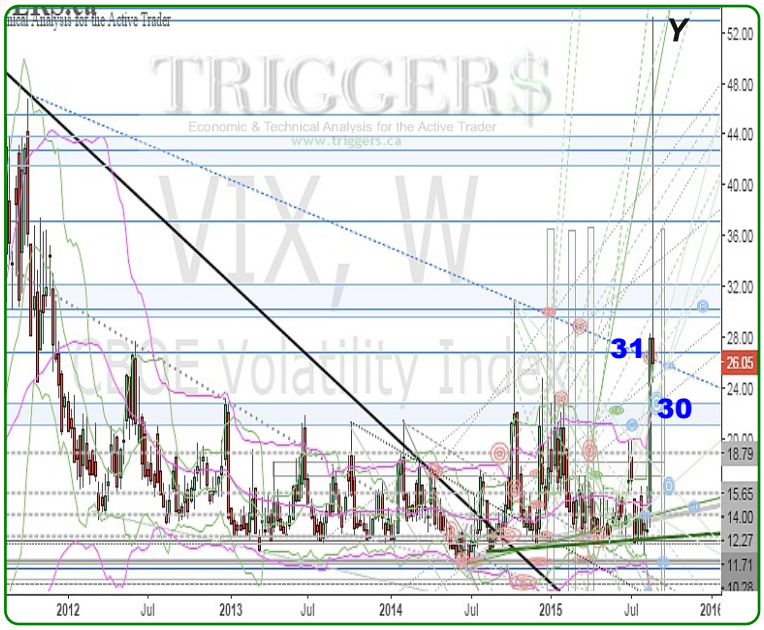
HPTZ Trading (cont)

VIX LONG TERM WEEKLY

Published in August Issue

Long term view of market levels and higher targets (31).

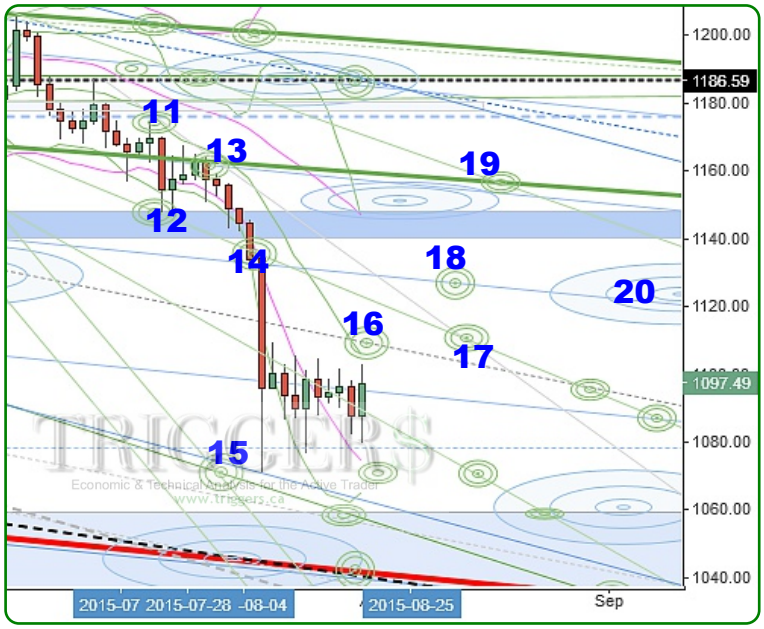
as of Friday August 28st, 2015



Volatility spike lifts through HPTZ(30)(31), ultimately spiking to a previously determined market level at Y.

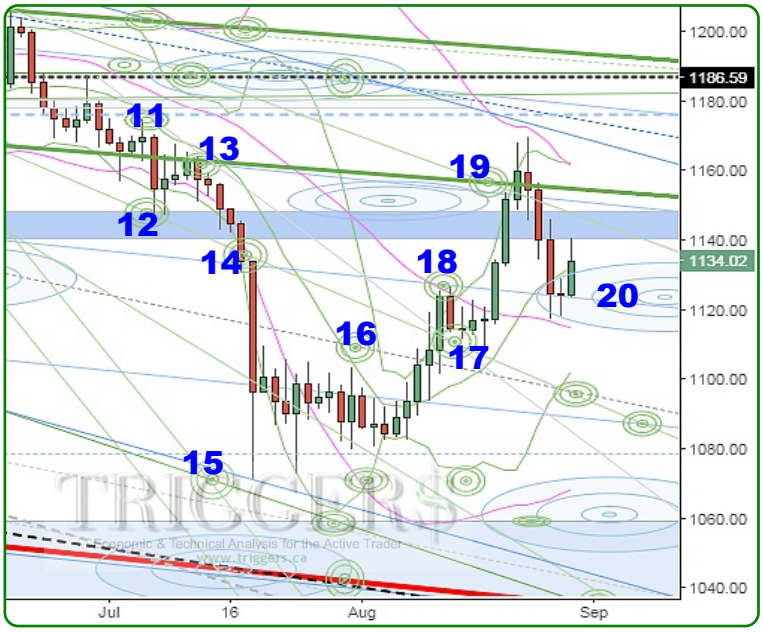
GOLD

Published in August Issue



Gold has been in sideways move for two weeks. Watching for break from consolidation.

as of Friday August 28th, 2015



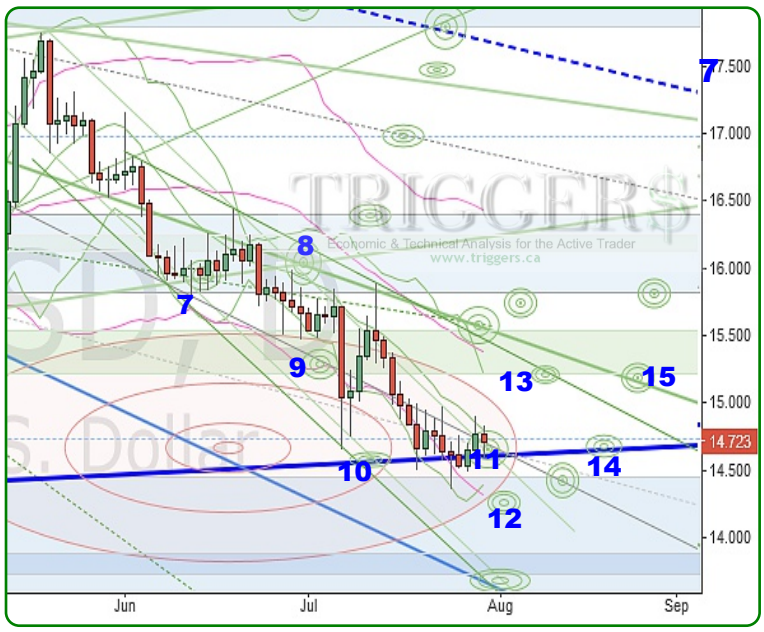
Gold lifts from consolidation (reversal) moving through HPTZ(17),(18) & (19) before landing in the long term weekly target: HPTZ(20).

(cont pg.24)

HPTZ Trading (cont)

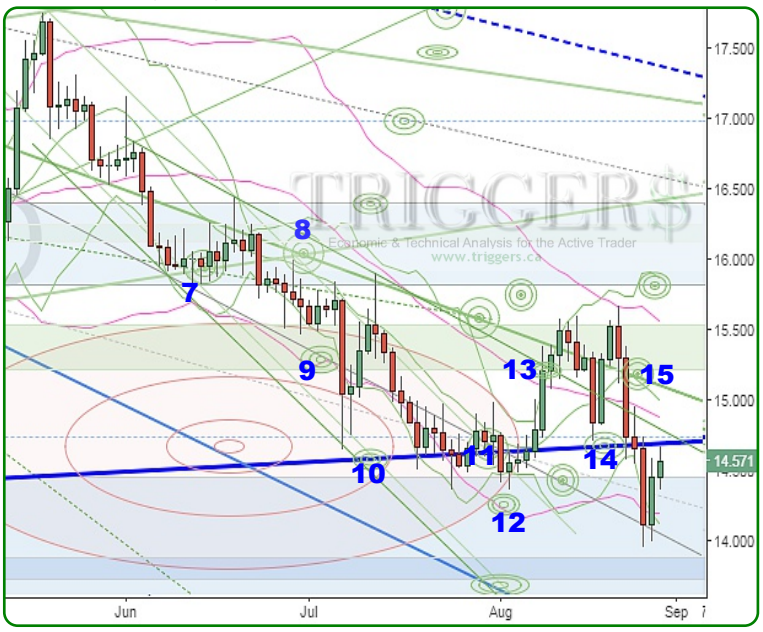
SILVER

Published in August Issue



SSilver has reached a significant long term s/r (blue). Watching for market reaction.

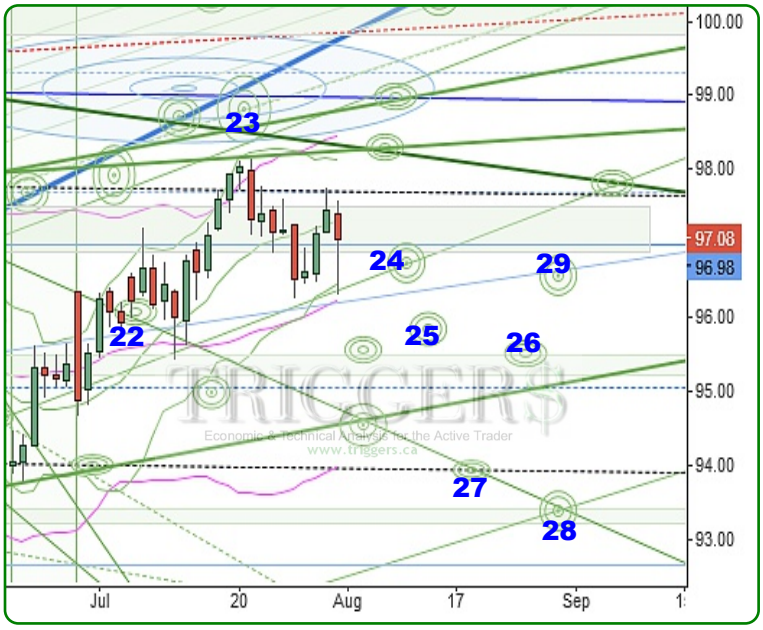
as of Friday August 28th, 2015



Market spikes to the top of HPTZ(12), then lift through HPTZ(13) drops briefly to HPTZ(14), lifts back up to HPTZ(15), drops back through HPTZ(14).

US$

Published in August Issue



USD at significant technical point: break up through resistance, or fall off from resistance for another wave down.

as of Friday August 28th, 2015

USD reverses, Moves through HPTZ(24)(25) & (26), landing in between HPTZ(27) & (28), missing each by about a day, then lifts back up through HPTZ(26), touches bottom of HPTZ(29)

(cont pg.33)

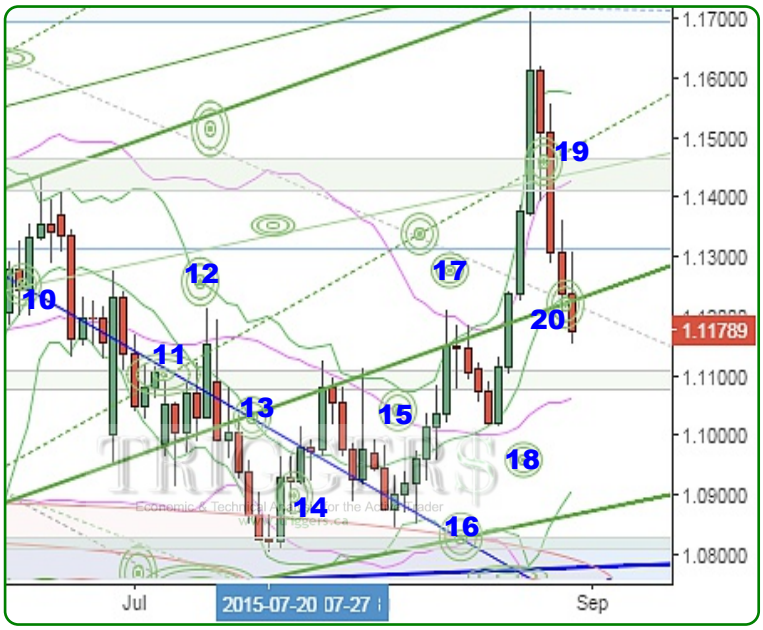
HPTZ Trading (cont)

EUR/US$

Published in August Issue

EURUSD has reached significant support, watching for market reaction.

as of Friday August 28th, 2015



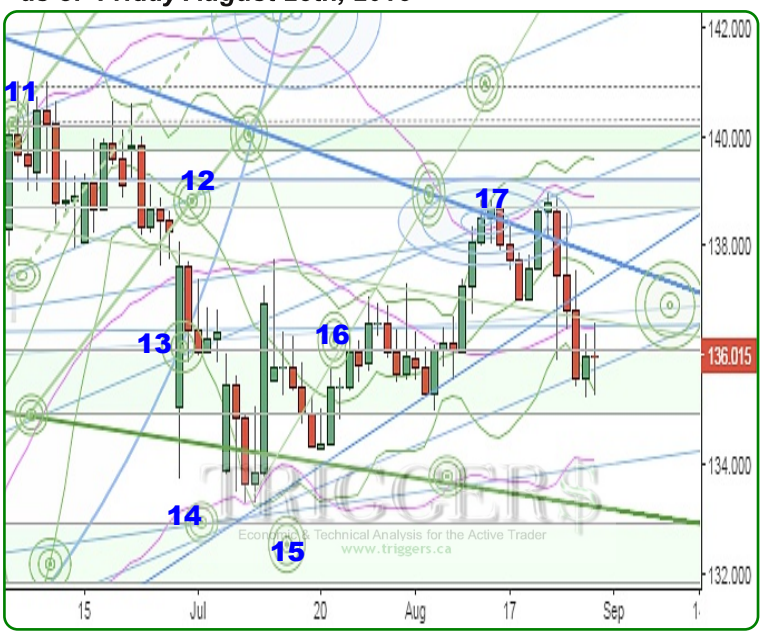
EURUSD finds support, lifts up beside HPTZ(15), is held by the BB's and 34ma before lifting up through HPTZ(19); market drops off landing in HPTZ(20).

EUR/JPY

Published in August Issue

Wedge pattern coming to a point, watching for break.

as of Friday August 28th, 2015



Market breaks to the positive moving in to long term weekly HPTZ(17).

END

26

Charts Powered By

IMPORTANT PLEASE READ
CHARTS IN THIS DOCUMENT LINK TO LIVE CHARTS

Look for the **LIVE CHART** symbol on select charts. Clicking this will take you to a **real-time streaming chart** where it will be updated with current market data.

This chart is dynamic and allows you to zoom, pan and watch as the market moves through the technicals in real time. Change the Time Frame to view from multiple perspectives.

Regardless of when you read TRIGGER$, the charts can now be viewed at any time with current market data. Check back throughout the month and review the analysis.

ASLO: **Save the Charts as Your Own!** Add your own technicals and personal trading plan / strategy (*saving requires free registration with* Trading View) - GO NOW and Register for FREE)

Feature Article

Rx: "INTERNAL" HEMORRHAGING & OUT OF "BREADTH"?

Gordon T Long

What is the prognosis for market internals which are hemorrhaging and breadth that is at critically low levels? Might the "life support" from the Federal Reserve no longer be enough?

Let's look at both and see what we should expect.

MARKET INTERNALS

John Hussman writes:

> "The central lesson of the half-cycle advance since 2009 is not that Fed easing creates a "put option" for the market. We know from history – even from the two market collapses since 2000 – that this simply isn't true. Rather, the central lesson is that in the face of intentional Fed-driven yield-seeking speculation, one had to wait until market internals actually deteriorated before taking a hard-defensive outlook. Pre-emptive action on the basis of even the most extreme overvalued, overbought, over-bullish conditions was ineffective, in hindsight.
>
> **A century of evidence validates this lesson: what distinguishes an overvalued market that continues higher from an overvalued market that collapses is the attitude of investors toward risk; and the most reliable measure of investor risk-attitudes is the behavior of market internals.**
>
> In mid-2014, we imposed the requirement that market internals or credit spreads must actually deteriorate in order to establish a hard-defensive market outlook."

(cont pg.28)

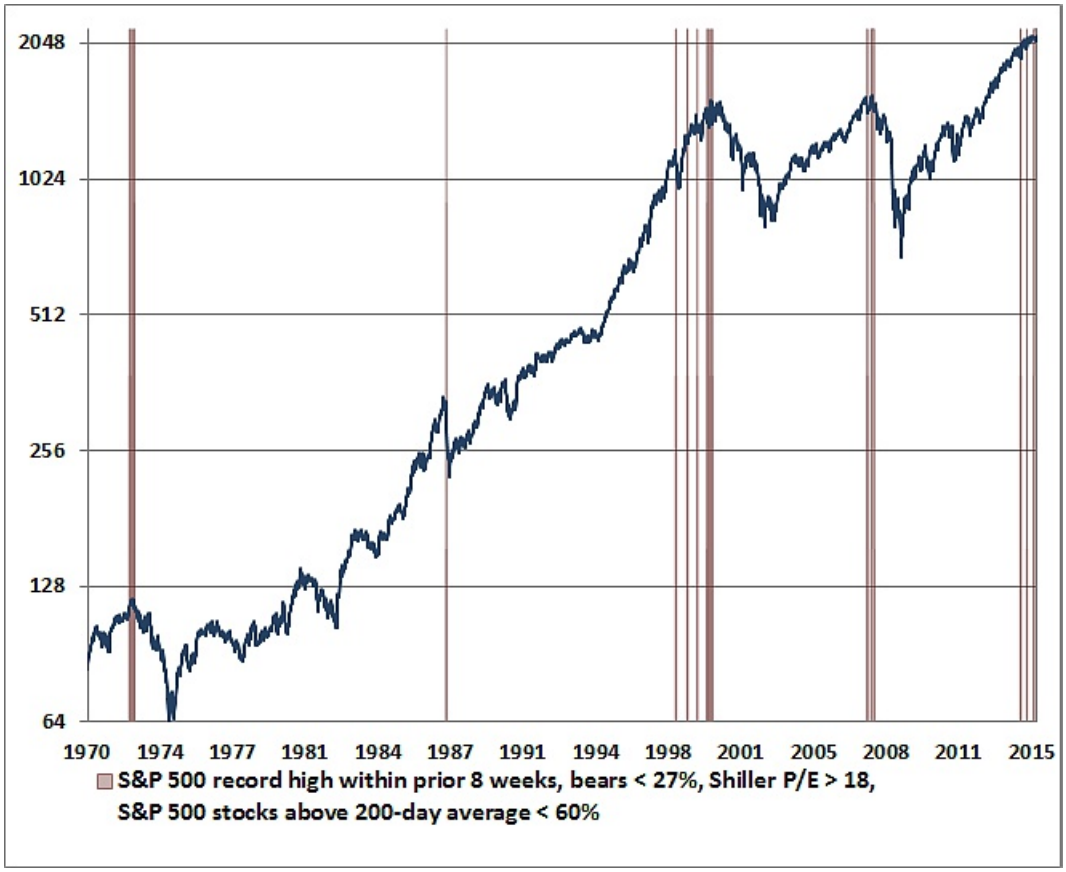
Rx "Internal"... (cont)

He further points out:

> "When market internals have deteriorated, it's a signal that investors are shifting toward greater selectivity and risk aversion. You'll still find bulls, of course – there has to be a buyer for every stock that is sold – and one can rely on the talking heads of financial television to be most arrogant toward skeptics at the very top of the market. **But examine periods where overvaluation has been met by deterioration in market internals, and you'll repeatedly find that persisting in a "buy the dip" mentality leads speculators to accumulate the very stock that the smarter money is getting rid of before a crash**.
>
> While our measures of market internals include:
>
> • A rich breadth of considerations,
>
> • The essential feature is to capture the behavior of numerous individual stocks, industries, sectors and security types.
>
> • When investors are risk-seeking, they tend to be risk-seeking in everything, so increased selectivity is a warning sign. Currently, fewer than half of all stocks are above their 200-day moving averages, for example.
>
> Last week, I shared Bill Hester's observation that when weak participation has been accompanied by rich valuations, scarce bearish sentiment, and recent market highs, the number of instances narrow to some of the worst points in history to invest.
>
> I noted in last week's comment that it's rare for the S&P 500 to register a new high when more than 40% of its components are already in a downtrend. When weak participation, rich valuations and scarce bearish sentiment accompanied a record high in the same week, the handful of instances diminish to surround the precise market highs of 1973, 2000, and 2007, as well as 1929 on imputed sentiment data – and the week ended July 17, 2015.
>
> Market analyst Dana Lyons identified the same instances using entirely different measures of market internals followed by market technicians. The only points that the S&P 500 was near a record high, coupled with negative readings on the McClellan summation indices for NYSE advances-declines and new highs-new lows, were immediately surrounding the market peaks of 1973, 2000, 2007 and today. **Understand that the present deterioration of market internals is broad-based, unusual, and historically dangerous**.

(cont pg.29)

Rx "Internal"... (cont)



LOWRY'S A/D LINE DECAY

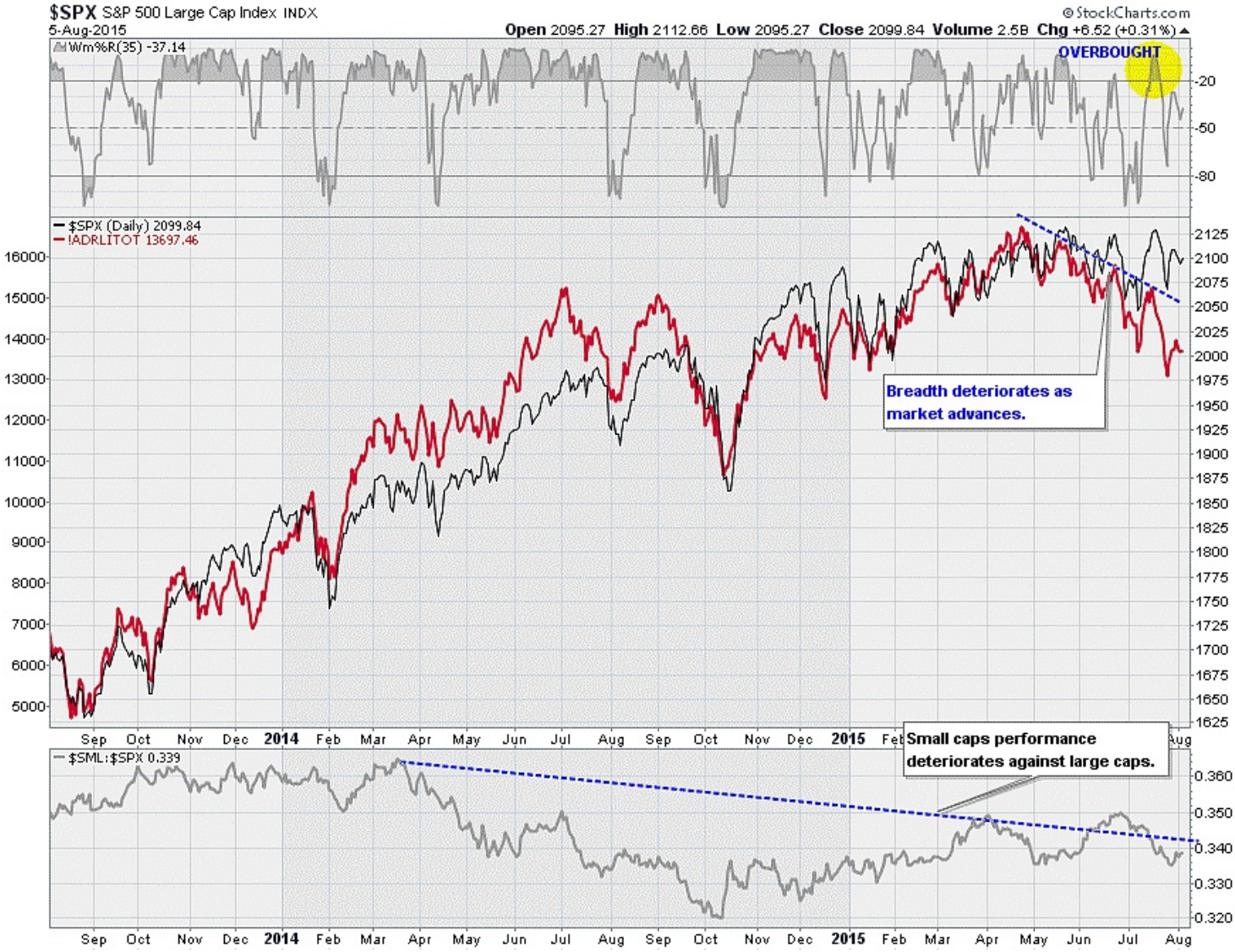
Richard Dickson, who is the Senior Market Strategist at Lowry Research writes:

> "… when the broader indexes are approaching a top, the advance is led by fewer and fewer stocks, which has been seen at every major market peak they've studied.
>
> This phenomenon registers in the market's widely followed advance-decline line, however, Dickson points out that relative under-performance by small-cap stocks often provides an earlier warning signal to potential trouble ahead. **He notes that small-cap stocks began to deteriorate almost a year ago**, and many have already entered bear market territory. **This is not healthy action, he says**.
>
> **Based on research conducted at Lowry, this predicts a market top within 4 to 6 months**. In the interim, Dickson will be watching a variety of other technical indicators for confirmation, such as buying power and selling pressure.

(cont pg.30)

Rx "Internal"... (cont)

Here is a chart of the advance-decline line and small-cap performance relative to the S&P 500.



MARKET BREADTH

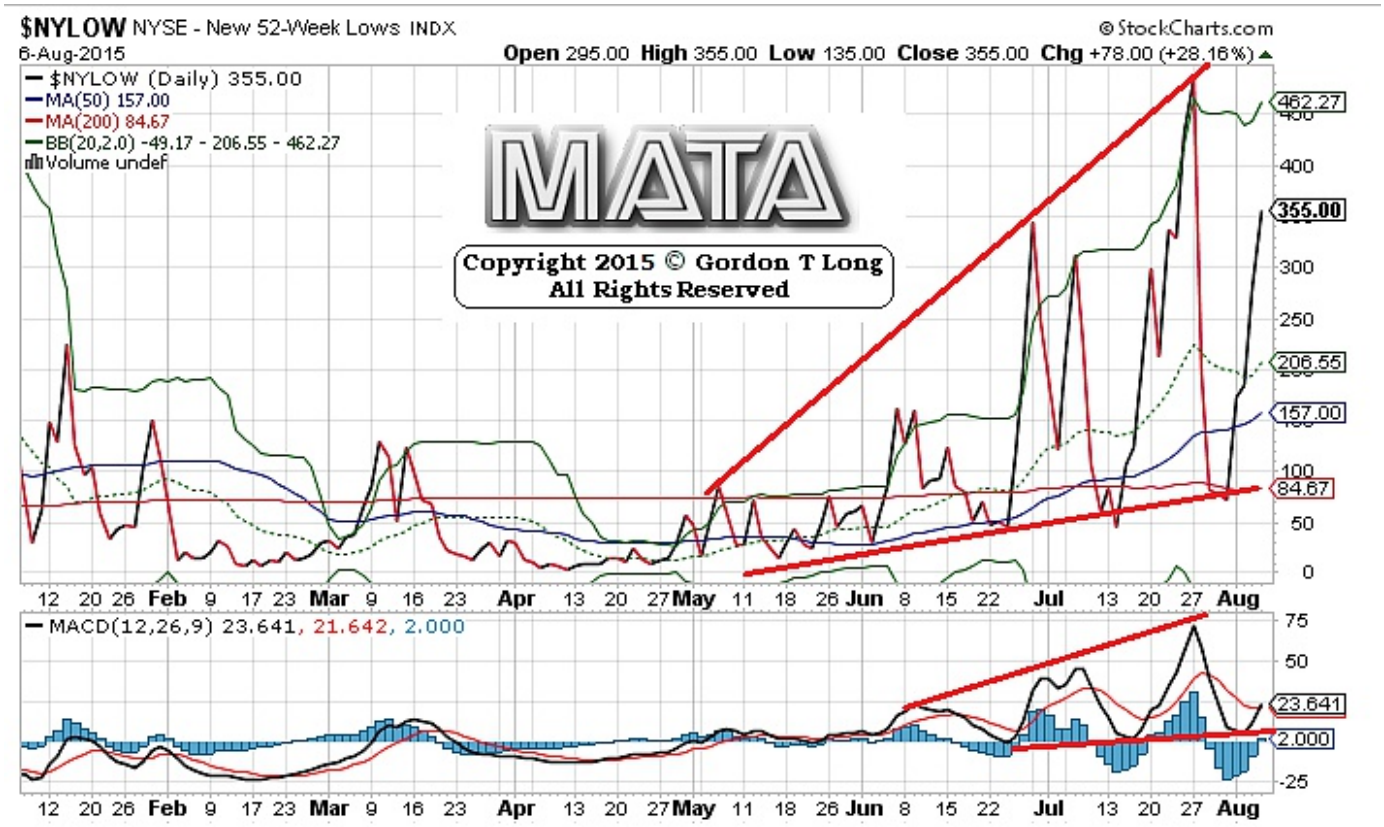
NYSE NEW 52 WEEK LOWS

Robert McHugh observes that:

> NYSE New 52 Week Lows rose to 353. More than one out of every ten NYSE stocks hit new 52 week Lows, yet occurring with the Index not far from its all-time high. That is continuing evidence of a market that is in serious trouble. Stocks look heavy, with the Industrials forming a classic rounded top. This pattern can be the forerunner of a powerful decline.

(cont pg.31)

Rx "Internal"... (cont)



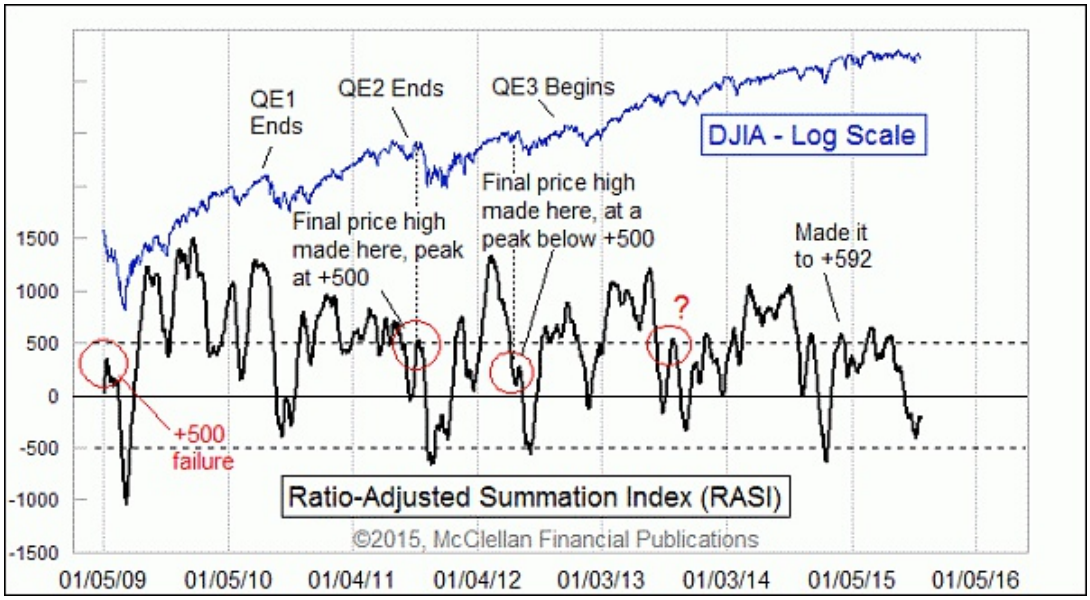
McCLELLAN'S ESCAPE VELOCITY

Tom McClellan, (the "McClellan Oscillator") recently issued a note which our friend Lance Roberts reported on discussing the importance of the number of advancing and declining issues and "escape velocity.":

> "To understand this important point, we need **to explore and define a principle of rocketry known as 'escape velocity.'** This term is variously (and sometimes confusingly) defined as the velocity which a projectile needs in order to escape the gravitational field of a planet or other body, and/or the velocity needed to achieve stable orbit as opposed to falling back down to Earth. My purpose here is not to defend either definition; for our purposes, **the idea is the same, that there needs to be sufficient energy to keep from falling back down**.
>
> The Summation Index can show us that. For this discussion I will be using the Ratio-Adjusted Summation Index (RASI), which factors out changes in the number of issues traded... **the RASI gives comparable amplitude levels with which to evaluate available financial market liquidity."**

(cont pg.32)

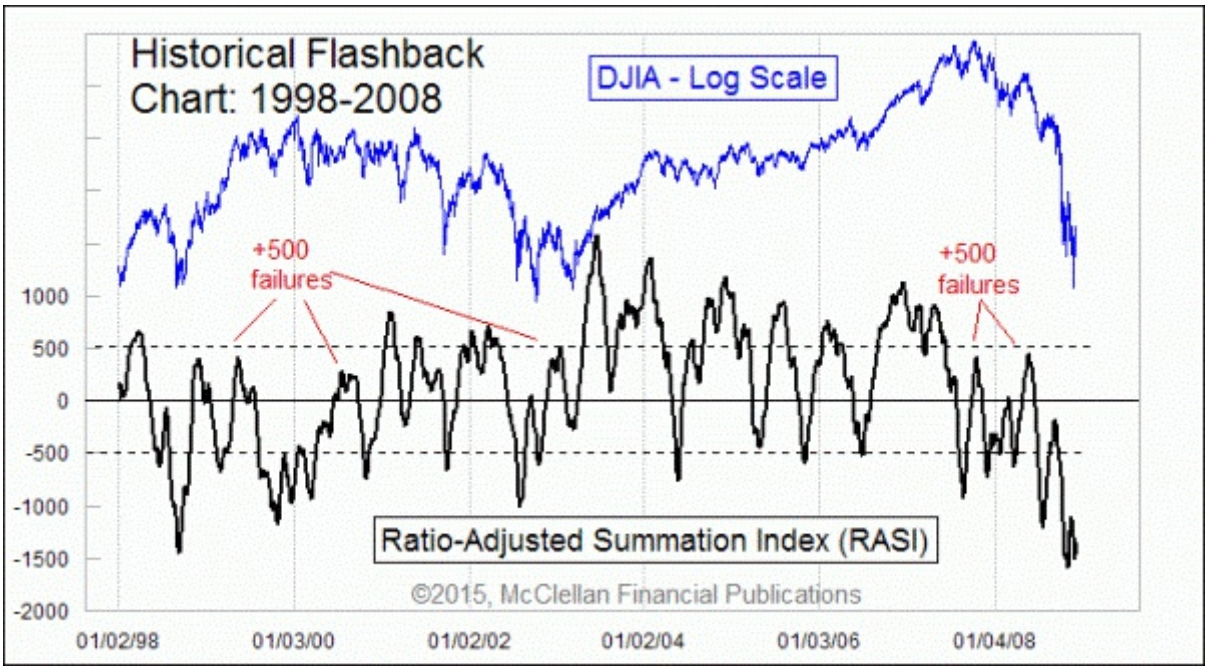
Rx "Internal"... (cont)



"The +500 level for the RASI is the important go/no-go threshold for this concept of 'escape velocity.'

Since the 2009 bottom, the Federal Reserve has made sure that there was liquidity available to the financial markets, at least for the most part. The cutoffs of liquidity after both QE1 and QE2 led to vacuums in the banking system, and stock prices fell into those vacuums. **The question for 2015 is whether Fed actions are going to take away the liquidity punch bowl, and create a problem for the next rally's ability to achieve escape velocity.**

We saw this principle of diminished liquidity back in 1998-2000, and again in 2007-08, as highlighted in this historical chart. When the RASI failed to climb back up above +500, it said that there were liquidity problems which ended up keeping the stock market from being able to continue itself higher."

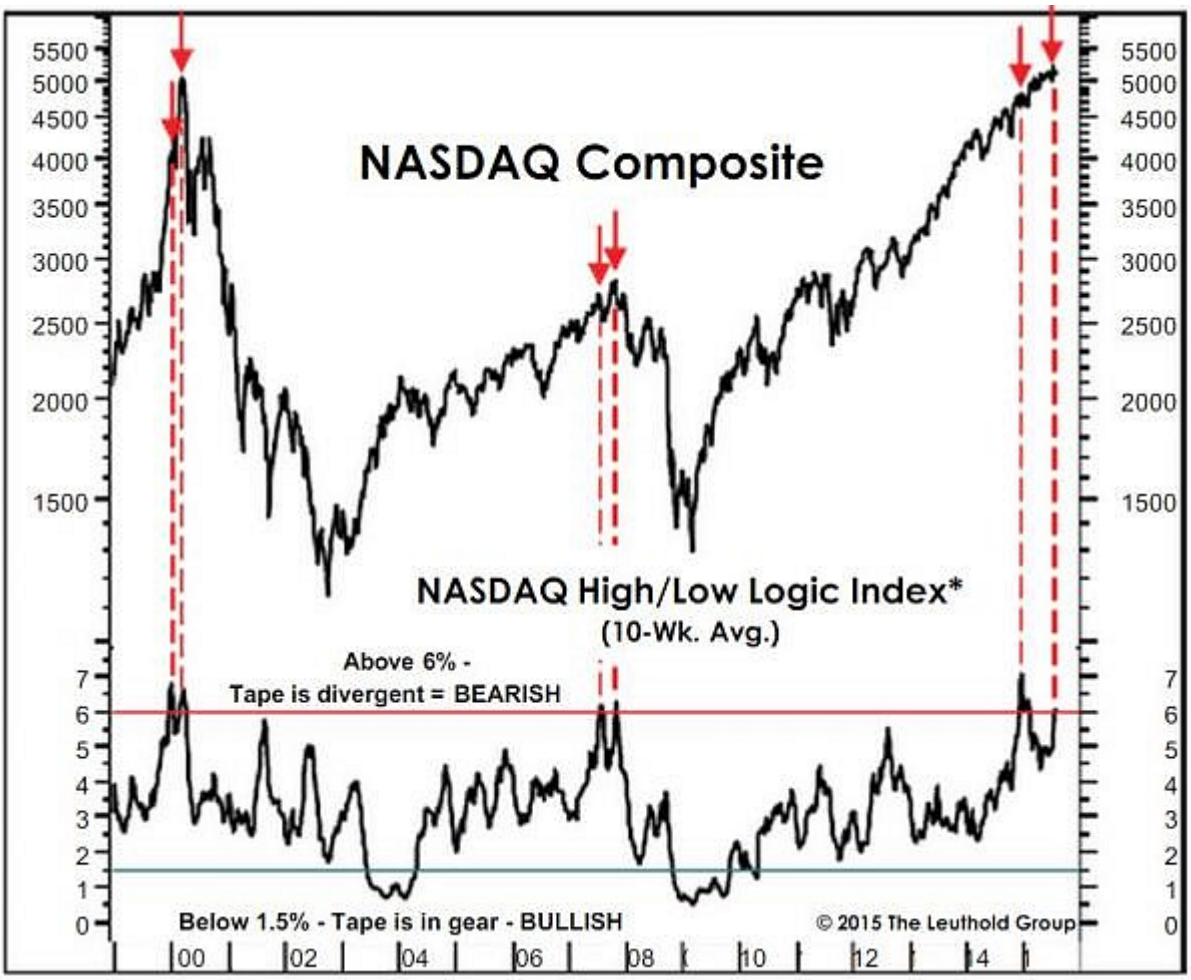


(cont pg.33)

Rx "Internal"... (cont)

"My leading indication from the eurodollar COT data says that we should expect a major top in August 2015, and so there is not all that much time left for the RASI to get back up above +500. An upturn from this oversold condition should be able to produce a marginally higher price high, **but if it cannot produce a RASI reading above +500, then we will know that the end has arrived for the bull market."**

LEUTHOLD'S HIGH/LOW LOGIC INDEX



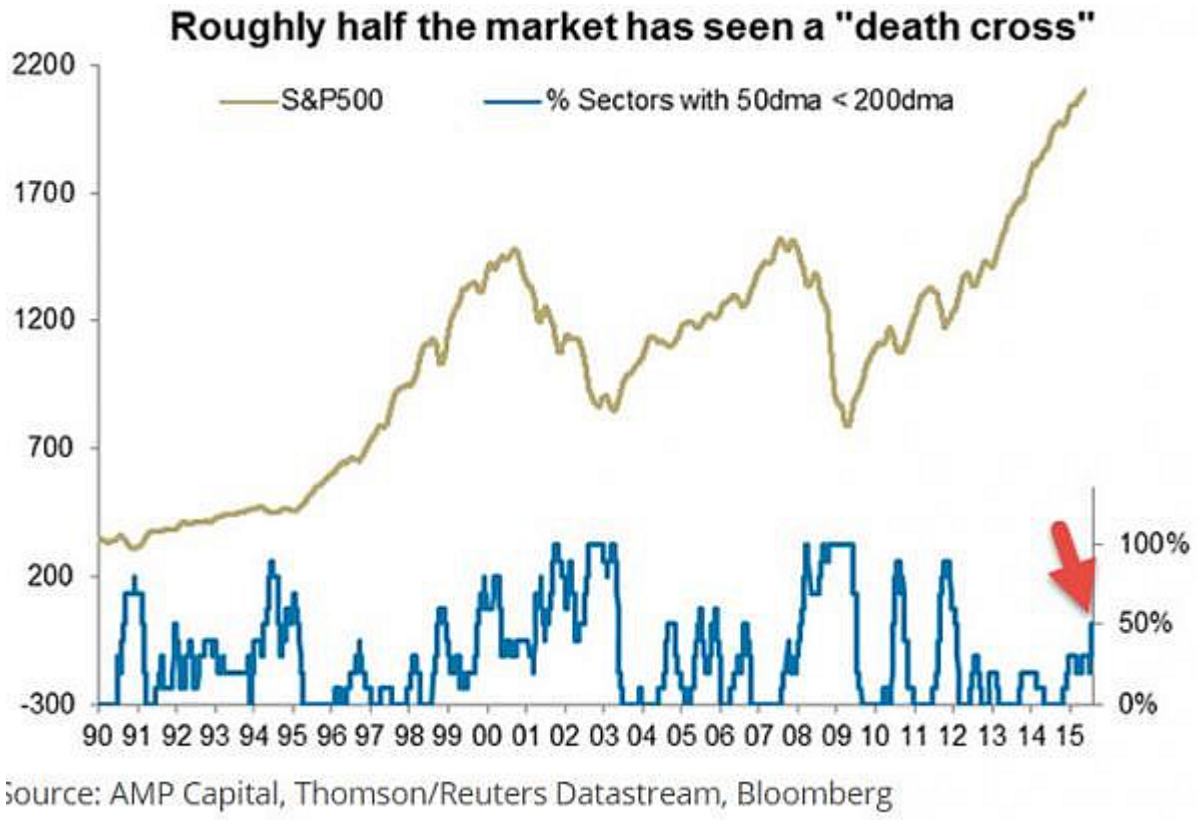
(cont pg.34)

Rx "Internal"... (cont)

DEATH CROSS

In previous reports we have stressed waiting and watching a number of indicators to confirm a weakening equity market. One of those was the 50 / 100 / 200 Day Moving Averages and their crosses>. In that regard we now see:

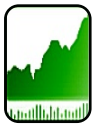
> This week saw The Dow encounter its first "death cross" - when the 50-day moving average crosses below the 200-day moving average - in 4 years. The indicator, often used to **signal trend changes** (down in this case) has yet to be witnessed in the S&P 500 though, but has been a useful signal at major market turning points in the past (e.g. late 60's, early 70's, the dot.com crash and recently the GFC).
>
> However, while breadth in this 'market' remains weak by any measure, we note that a **stunning 50% of the S&P 500 components are now in the 'death zone'**.



The prognosis for hemorrhaging market internals and critically low levels of breadth is poor.

It may be time to heed your doctors advise when he / she tells you the market appears to be showing it is bad for your financial health!

Gordon T Long
Publisher & Editor
general@GordonTLong.com



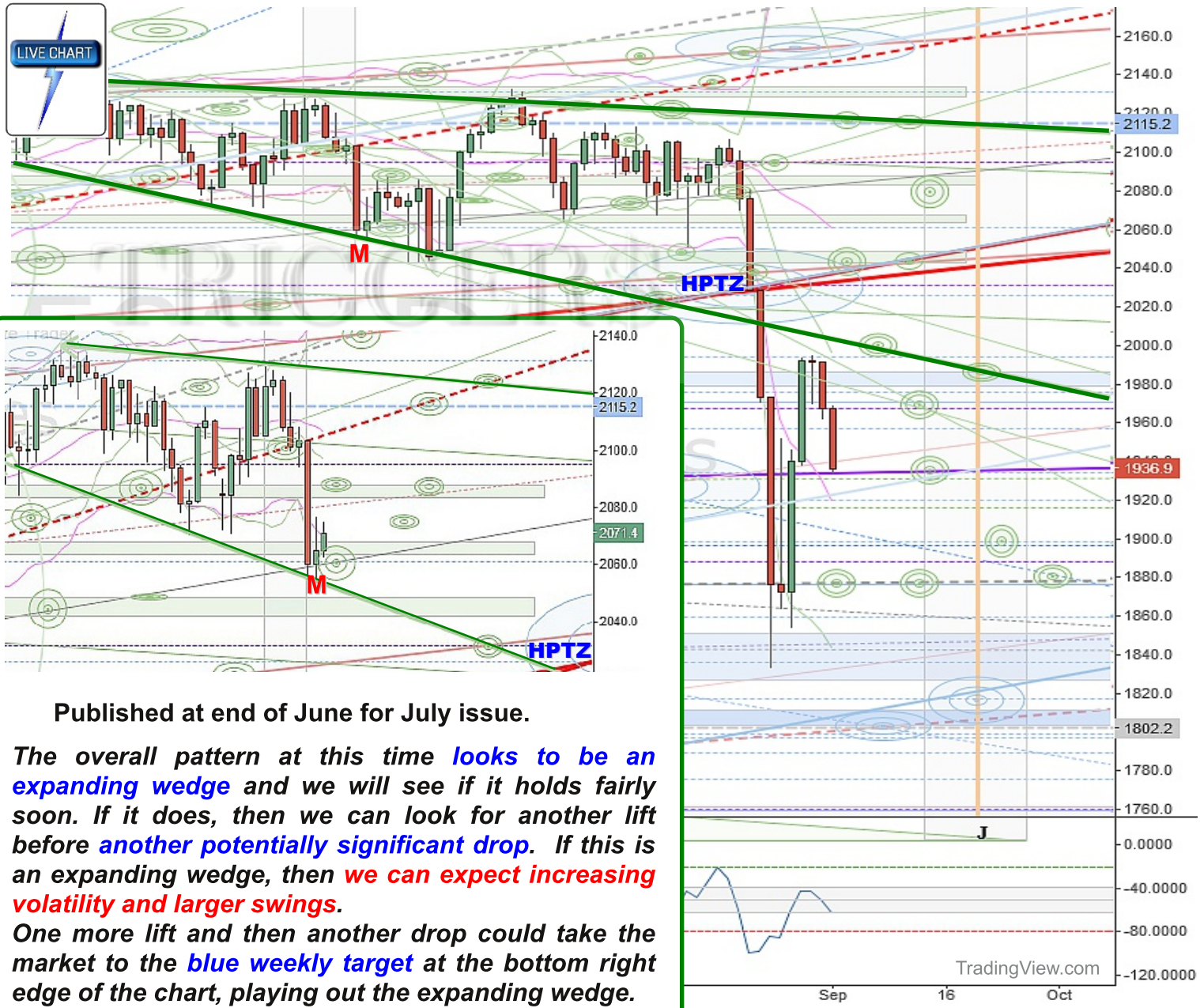
NEED TO KNOW
Technical Analysis

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

Contents Page

S&P - A Closer Look

Daily View **as of Monday August 31st, 2015**



Published at end of June for July issue.

The overall pattern at this time looks to be an expanding wedge and we will see if it holds fairly soon. If it does, then we can look for another lift before another potentially significant drop. If this is an expanding wedge, then we can expect increasing volatility and larger swings.
One more lift and then another drop could take the market to the blue weekly target at the bottom right edge of the chart, playing out the expanding wedge.

As discussed at the end of June, the market has been in an expending wedge, with increasing volatility and larger swings.

The last leg of the wedge not only moved in to a long term target, it broke significant channel support. Retesting this at some point would be expected.

Recent movement from the market has followed along with the USD. Orange vertical line indicates a time period we are watching for a potential reversal in the USD, which we expect to be felt on the S&P. The USD has potential for more down at this point and could take the S&P with it.

W%R had been lifting but failed to reach the upper levels. Currently sitting between Fib levels, these will offer clues fro the next move when broken.

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$

SUBSCRIBERS ONLY

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.

Feature Article

THE CURRENT TECHNICAL MARKET *& WHAT COMES NEXT*

Andrew J.D. Long, *MFTA*

While the major indexes have seen a drastic move recently (more on these later), the USD takes center stage. I say this because it may give us clues as to what to be expecting next.

Similar to the indexes the USD has also had a dramatic drop. Note on the chart that the most recent fall off began on August 18th; and the current wave started July 21st.

"LIVE CHART" takes you to a current updated chart of this analysis.

(cont pg.40)

The Current Technical Market ... (cont)

This USD analysis suggests that we may still have more down to go. Significantly more. The first target level is around **$91.00**. There is also a possibility that it could see **$86.50**.

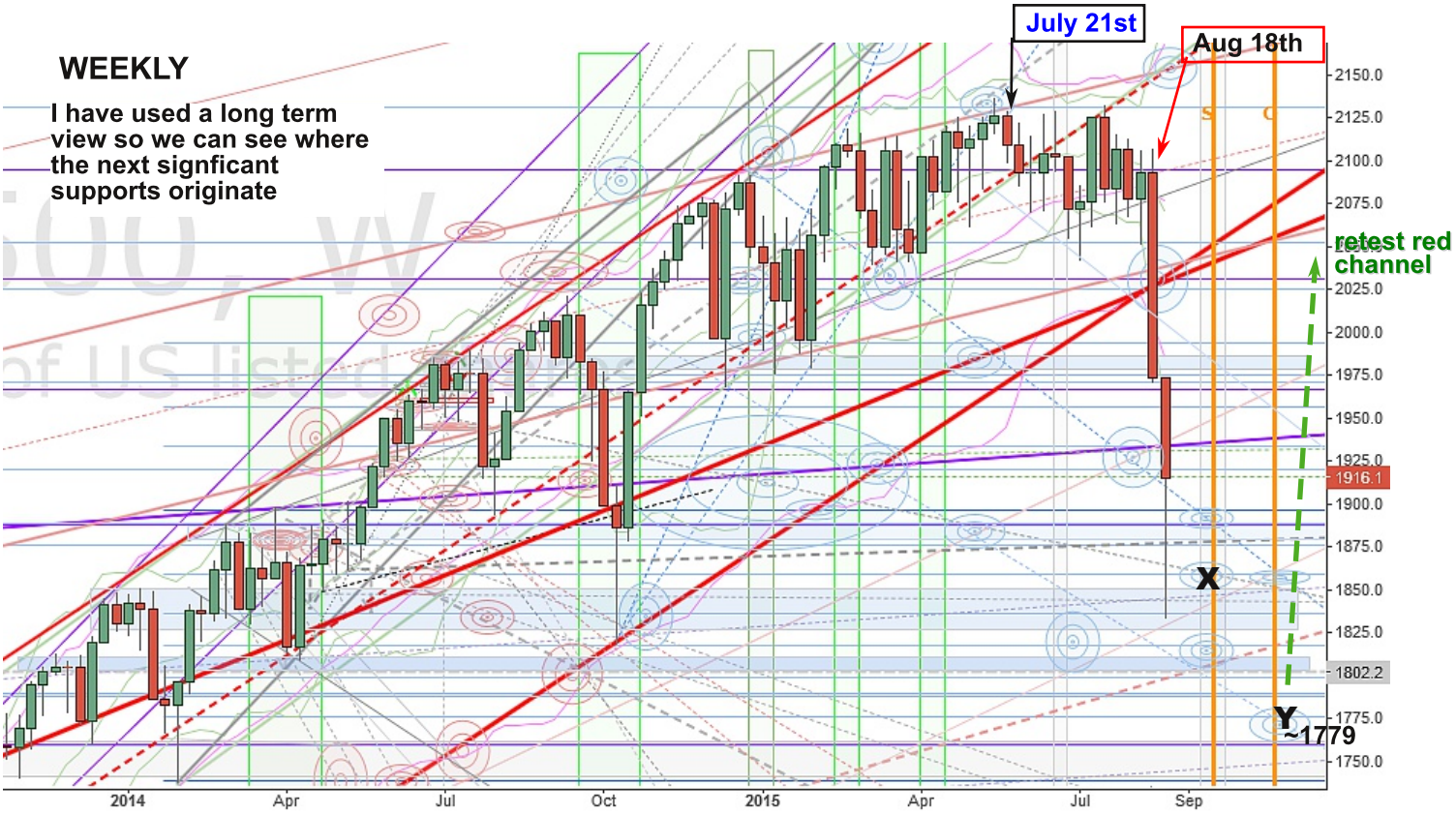
As I write this the USD has started a consolidation from the drop off on the 18th. We can see that this is occurring roughly at the same level as the previous two lows (end of a). It is expected that the market will continue the down trend when the consolidation finishes. Breaking below the current lows would be a potential trigger consideration for this.

The rest of Wave **c** could take us in to the **end of September**. IF the market is going to give us an extension of Wave **c** (1.618 of Wave a) then we could expect to see the USD to continue the current down trend until the **end of October**.

IF this analysis is correct, we could expect to see other markets behaving in a similar manner, or at least as much as they have a correlation to the USD, with the end of September and October the next significant time periods to be aware of.

S&P

The S&P and other related indexes have been getting all the lime light lately.



We can see the recent drop-off dates line up with the USD. Orange vertical lines S and O mark the last weeks of September and October... when we expect to see potential reversals in the USD. Targets at **X** and **Y** are potential levels the S&P could see at those times if everything continues as it has since near the end of July. These levels are if the relationship / ratio remains the same - lower is possible if this changes.

(cont pg.41)

The Current Technical Market ... (cont)

Similar to the USD, we will be watching for the S&P to bottom out at these targets. It is normal market movement to have significant technicals retested when they have been broken. This could see the market lift back and retest the red channel that has been broken (started in 2011). It will have to do this quickly, as the longer it takes to reach and retest the red channel the higher it will have to go to do so.

Also note that the recent moves from the USD and the S&P have been in the same direction. Usually an inverse relationship occurs, and while it can be seen to fluctuate, a prolonged period of a direct relationship says something is broken somewhere. We are also keeping an eye on this relationship for signs that the overall equities markets are toast (or not).

EURUSD

As might be expected, the EURUSD is almost a direct inverse of the USD. Again, IF the USD plays out as the analysis shows, we can predict some potential moves on the EURUSD (and other related currencies).

As with the USD, a large potential ABC pattern can be seen to be unfolding. Light yellow boxes representing A=C and the HPTZ at C shows us where we can expect the first target to land. (You'll have to check back with us to see what we have for the 2nd target level...).

(cont pg.42)

The Current Technical Market ... (cont)

Conclusions

The above analysis are contingent on the ABC pattern seen on the USD fulfilling as we have predicted. IF it does so there will be more opportunities across most other markets, the S&P and EURUSD being shown as examples.

You can't know with any certainty if the USD is going to continue as the analysis indicates or not; nor can we be sure other markets will continue to follow along with it.

We can however follow along with the markets as they break significant technicals. IF the pattern is to unfold as suggested, certain market levels and technicals will need to be broken and these then offer technical trigger considerations.

Even if the above analysis comes up short and the USD does something else, it will need to move through other significant technicals to do so and we can follow along with these.

Here is an alternate consideration for the USD:

In the alternate scenario above current support holds and the USD lifts back to finish a 5 count Wave **b** before falling off for Wave **c**. OR what I have as Wave b here is a series of 1-2's setting up and the USD will lift past the previous high of **3** shown.

You can't know with 100% certainty what is going to unfold. You can however identify likely possibilities; and as the market develops you can follow along with it when it breaks through key technicals, letting it show you what is going on, rather than guessing what is going to happen. Having exact targets to look for in both price and time, or *HPTZ's*, is icing on the cake.

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

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 August 28th, 2015

Long-Term View - *Weekly*

Extreme long-term view given so that we can see the significance of s/r **S1**. The market has just broken through this *(see Daily below)* and we are watching to see if there will be any follow through. Significant market levels have been identified and these are the next targets to look towards. Note the current green channel.

Near-Term View - *Daily*

LIVE CHART

Note s/r **S1** has just been moved through. IF we see another move down, $13.75 (bottom of next blue s/r zone) is the next target level. There is potential for more significant drop to occur that could take the market down to $12.50, $11.50 and then under $10.00. We can also see the market at the green channel support suggesting a lift back to the top channel resistance could occur. The W%R is lifting from lower levels and suggests positive pressure is coming back in to the market. Note the red s/r on the indicator – breaking or bouncing from this will offer clues. Regardless of how the market breaks from here, several significant technicals can be seen above and below offering potential trigger considerations for either eventuality, allowing you to follow along with the market (as opposed to guessing).

GOLD

as of Monday August 31st, 2015

Long-Term View - *Weekly*

Near-Term View - *Daily*

EUR:JPY

as of Monday August 31st, 2015

Long-Term View - *Weekly*

Near-Term View - *Daily*

US$

as of Monday August 31st, 2015

Long-Term View - *Weekly*

Near-Term View - *Daily*

EUR:US$

as of Monday August 31st, 2015

Long-Term View - *Weekly*

Near-Term View - *Daily*

DRIVERS
MATA / GMTP

Global Confidence Eroding Fast!

Contents Page

GLOBAL CONFIDENCE ERODING FAST!

Consumer, Investor and Trader Sentiment has shifted and Global Consumer Confidence is showing clear signs of deteriorating. Market Internals and Market Breadth can be best described as increasingly troublesome! We have Event Risk in Greece, China, Brazil, and Puerto Rico ... and the list goes on. We have Q2 earnings down 1.3% Y-o-Y and markets over-valued according to our MATA research measures by 80.4%. So if none of this is sufficient to de-rail this historic "central bank" bull market, what will?

Alan Greenspan in his Humphrey-Hawking testimony as Federal Reserve Governor and global central bank leader was often lamented that the thing that worried him the most, and the one thing he was unable to predict, was **the inevitable and cyclical shifts in public sentiment and confidence**.

Like a thief in the night, major shifts in confidence and sentiment arrive unexpectedly and leave the unsuspecting and unprepared violated and in shock.

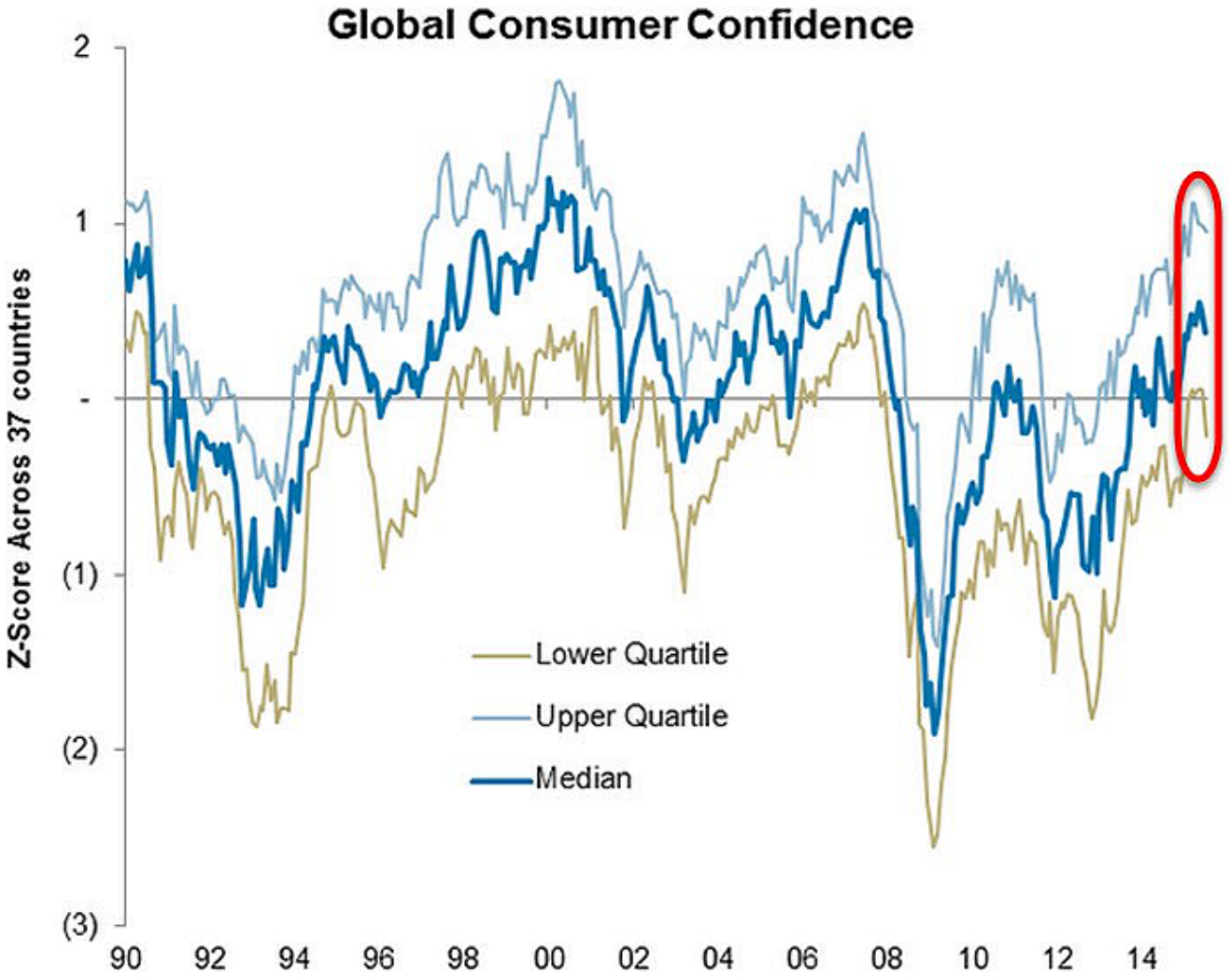
This month's MATA reports lays out endless warnings, concerns and troubling historic anomalies which need to be thoughtfully heeded, but **what will likely "pop" this market bubble is a cyclical shift in public sentiment and confidence.**

(cont.pg.46)

Global Confidence Qeoding Fast! (cont.)

GLOBAL CONCERNS

There is now an unmistakable shift in Consumer Confidence around the world and it deteriorated in most countries in July. Though on a global basis it is still early, it is unquestionable in many countries.



THE GLOBAL AC NIELSEN SURVEY

One of the ways we track the overall Global shift is through the AC Nielsen's Global Consumer Confidence Report. Certain concerns are universal. Worries about the state of the economy, fear of losing a job or anxieties about health issues are top concerns in all regions of the world. But other concerns take on greater significance depending on where you live. Understanding the emotional burdens that weigh heavily on consumers provide insight into the factors that can drive behavior. For example, debt and increasing food prices are top concerns among North Americans. Crime and work/life balance top the list of anxieties in Latin America. Parents' welfare and happiness is a key issue for those in Asia-Pacific and Middle East/Africa, and rising utility bills is a major worry for Europeans.

(cont.pg.47)

Global Confidence Qeoding Fast! (cont.)

"… there is still a widespread concern among consumers about recession. In fact, six years after the official end of the Great Recession, more than half (54%) of global respondents still believe their country is in recession. So while global consumer confidence has been rising slowly to reach near optimistic levels in the past year, there is still evidence that consumers feel uncertain about their countries' futures. Retail sales activity has been slower to respond, reflecting that lingering uncertainty."

Anemic consumer spending levels are reflective of the fact that nearly two-thirds (65%) of consumers around the world are in a saving—rather than a spending—mindset. This cautionary outlook is most prevalent in Latin America (79%), followed by Middle East/Africa (69%), Asia-Pacific (66%), North America (59%) and Europe (58%), as more than half of respondents in these regions say they are actively taking action to save on household expenses compared to a year ago. "

What is most telling is the US which is supposedly the bright spot in the global recovery

"U.S. consumer confidence decreased six index points in the second quarter to a score of 101, but remained at an above-the-baseline optimistic level. Consumer confidence in Canada increased two points to 98, after declining six points in the first quarter.

In the U.S., the all three confidence indicators decreased in the second quarter with immediate spending intentions declining the most at six percentage points to 44%. Job prospects sentiment dropped five percentage points to 50% and personal finance sentiment declined one percentage point to 61% from the first quarter.

"Confidence in the U.S. remains at elevated levels, but it's an uneven recovery, as more than half of Americans still feel the effects of the recession, and nearly 40% are living paycheck to paycheck," said James Russo, senior vice president, Nielsen Global Consumer Insights. "While fast-moving consumer goods dollar sales were up 2.6% through May 2015, driven by inflation and perimeter store growth for health care and personal care products, we expect the five-year unit sales trend to be flat."

GROWING RECESSIONARY SENTIMENT

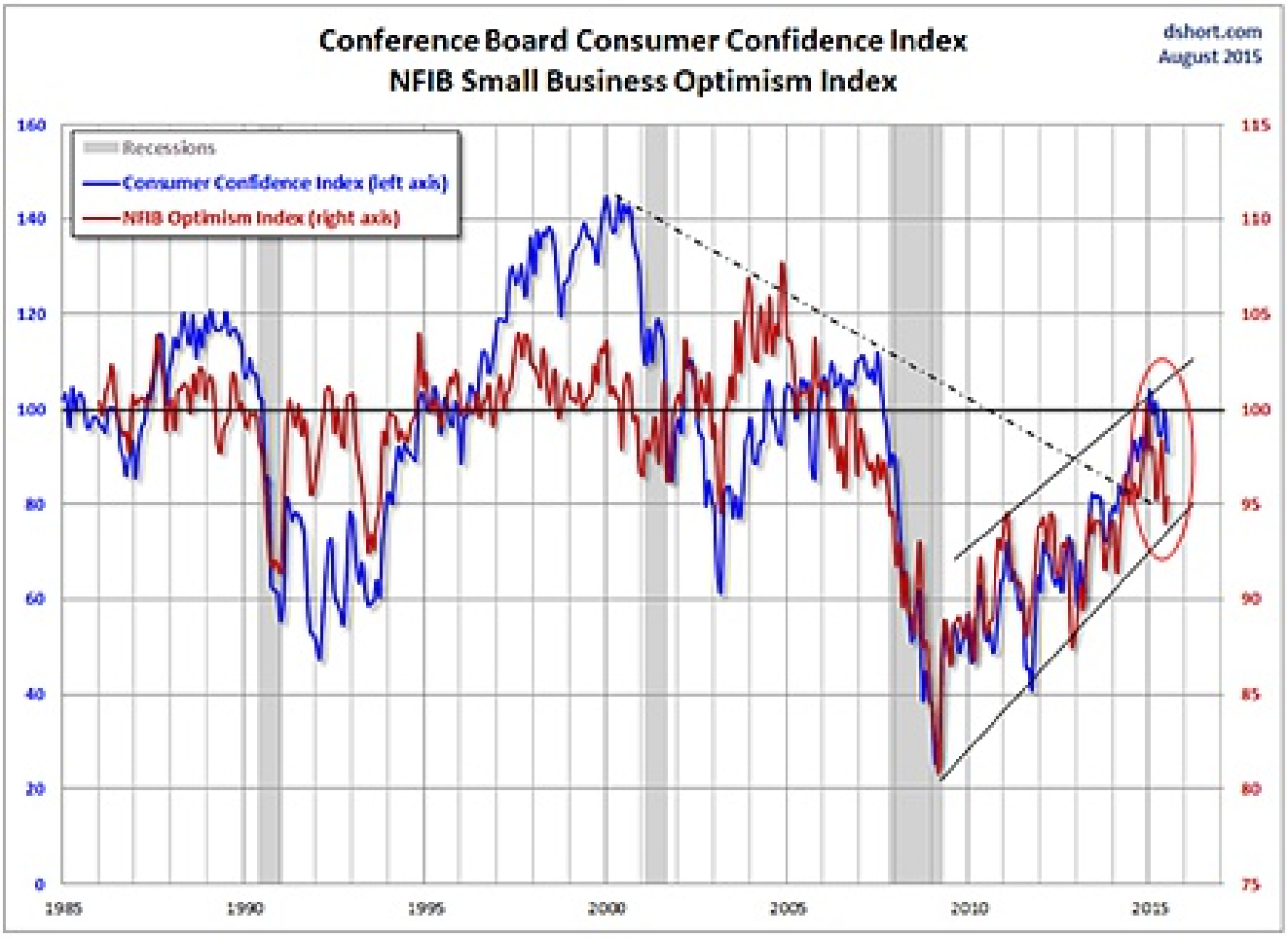
	Q1 2015	Q2 2015	Change
Peru	46%	56%	10%
Chile	47%	55%	8%
Colombia	59%	66%	7%
Estonia	42%	49%	7%
U.S.	50%	57%	7%
India	44%	50%	6%
Brazil	85%	90%	5%
New Zealand	30%	35%	5%

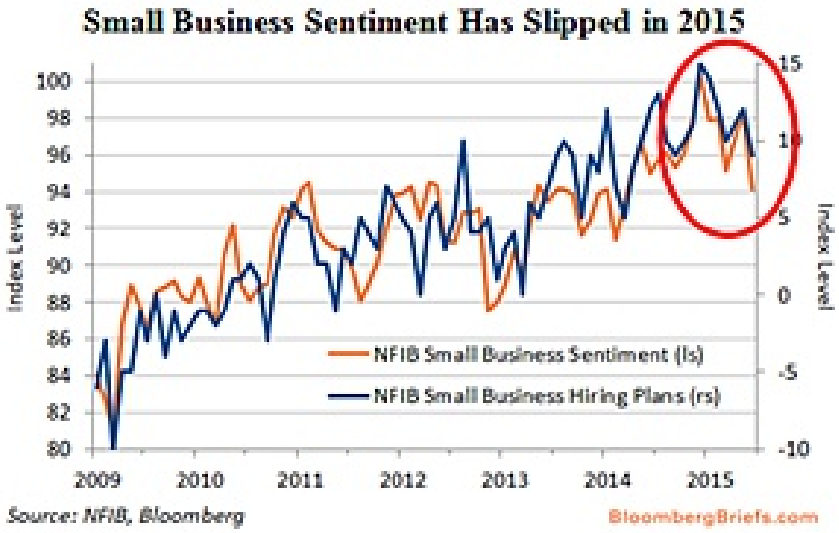
(cont.pg.48)

Global Confidence Qeoding Fast! (cont.)

So let's examine the US more closely.

One thing that immediately stands out is the erosion in small business confidence in America.





(cont.pg.49)

Global Confidence Qeoding Fast! (cont.)

But it is much broader than this.

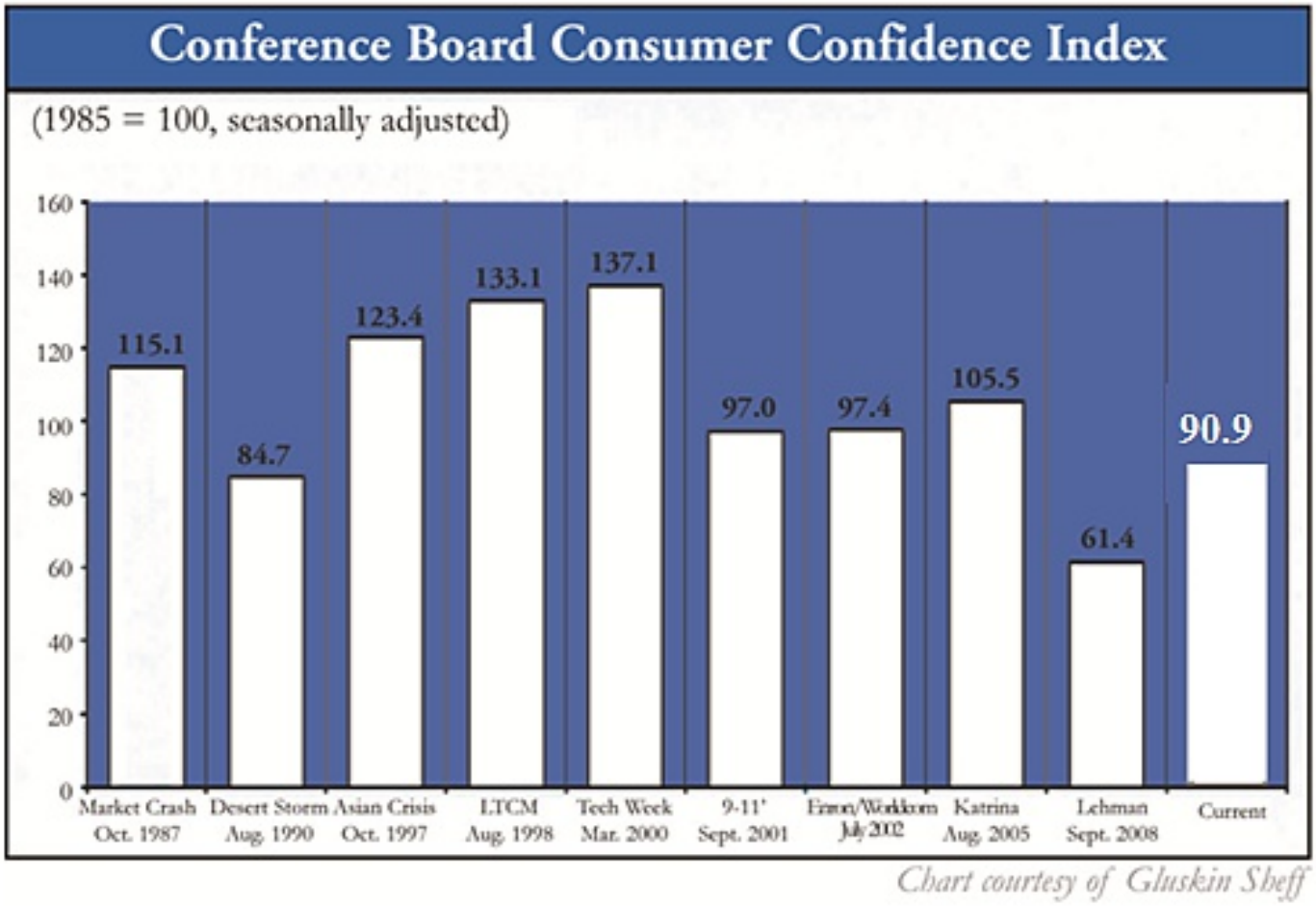
Below we summarize the Consumer, Investor and Trader confidence indicators we track. (Skip this section if you don't want the details).

US CONSUMER, INVESTOR & TRADER SENTIMENT

Highlighted examples of continuing weakening analytics and warning signals are as follows:

1-CONSUMER SENTIMENT

- CONSUMER SENTIMENT (Conference Board)



The Conference Board's Consumer Confidence Index declined 8.9% this month (+0.7% y/y) to 90.9 from 99.8 in June, revised from 101.4. It was the lowest reading since last September.

(cont.pg.50)

Global Confidence Qeoding Fast! (cont.)

The comparable Gallup US Economic Confidence Index (to the right) has been steadily falling since February 2015 in what appears to be a 2 year cycle since the end of the Financial Crisis.

- CONSUMER SENTIMENT (University of Michigan)

The University of Michigan Final Consumer Sentiment for July came in at 93.1, a decrease from the 96.1 June final reading. Investing.com had forecast 94.0 for the July Final. The Index is at its highest eight month average since 2004.

- CONSUMER COMFORT INDEX

Bloomberg's Consumer Comfort index plunged (by the most since Sept 2014) to hover at 18 month lows... as 70% of Americans see the state of the economy as negative.

2- INVESTOR SENTIMENT

- INVESTOR SENTIMENT as measured by American Association of Independent Investors is **Bull-Bear Ratio Giving Weakening (Becoming more Bullish) Signal at 125.6**

- INVESTORS INTELLIGENCE – **Elevated and still too Bullish at 37.6**

- NAAIM (National Association of Active Investment Managers)

This week's NAAIM Exposure Index number is: 63.17

Last Quarter Average: 72.84

- NFIB SMALL BUSINESS OPTIMISM INDEX **HAS FALLEN IN 2015**

(cont.pg.51)

Global Confidence Qeoding Fast! (cont.)

The correlation between consumer confidence and small business sentiment, the latter by way of the National Federation of Independent Business (NFIB) Small Business Optimism Index shows the two have tracked one another fairly closely since the onset of the Financial Crisis but have recently diverged significantly.

3- TRADER SENTIMENT

- PERCENTAGE STOCKS ABOVE 50 & 200 DMA

With 49.2% of the S&P 500 above their 50 DMA we have we have been falling since fall highs suggesting slowing momentum.

With 51.2% of the S&P 500 above their 200 DMA we are continuing to slowly weaken

The market has oscillated between their upper and lower boundary conditions shown above in a LONG TERM SECULAR ENDING TRIANGLE PATTERN (see illustration below with a longer term perspective).

- NYSE OVERBOUGHT / OVERSOLD The NYSE: The NYSE Overbought / Oversold indicator is in a falling trend line and will likely see oversold levels in the short term.

- OEX OPEN INTEREST (PUT/CALL): The long term support trend line held as previously predicted. We previously suggested we should see OEX Open Interest (Put/Calls) rise towards the 1.70 level. This is exactly what happened and last month moved towards 2.5 before falling back to 2.00

After a consolidation at levels of approximately ~2.0, the OEX Open Interest Put/Calls should head lower.

- TRIN / ARMS: The NYSE TRIN now shows THAT we are likely in an ending consolidation period before breaking lower.

- MCCLELLAN OSCILLATOR: The McClellan Oscillator is presently negative showing near term weakness.

MARGIN & LEVERAGE

- MARGIN DEBT GROWTH: **We have broken what appears to be an important trend support level.**

(cont.pg.52)

Global Confidence Qeoding Fast! (cont.)

- MUTUAL FUND CASH LEVELS: Stock Fund Cash levels continue to held a historic low levels with no buffer for potential redemptions. This is traditionally a market warning signs has fund managers are forced to be fully invested as their investors expect this. When this is coupled with the fact that we have record amounts of margin debt this translates to excess risk.

VOLUME

- In January 2011 the average number of stocks traded on the NYSE per day was 891mm shares vs. 661mm for this January (a 26% drop Y-o-Y) and this is down an incredible 59% from January 2008. The four-week average volume on the NYSE has dropped to levels not seen since, yes you guessed it, 1999.

- Cash levels at Mutual Fund are at all time lows of approximately 3.7%. They are fulled invested and suggests it would be difficult to increase volumes.

CONFIDENCE WILL SHOW IN THE CREDIT MARKETS

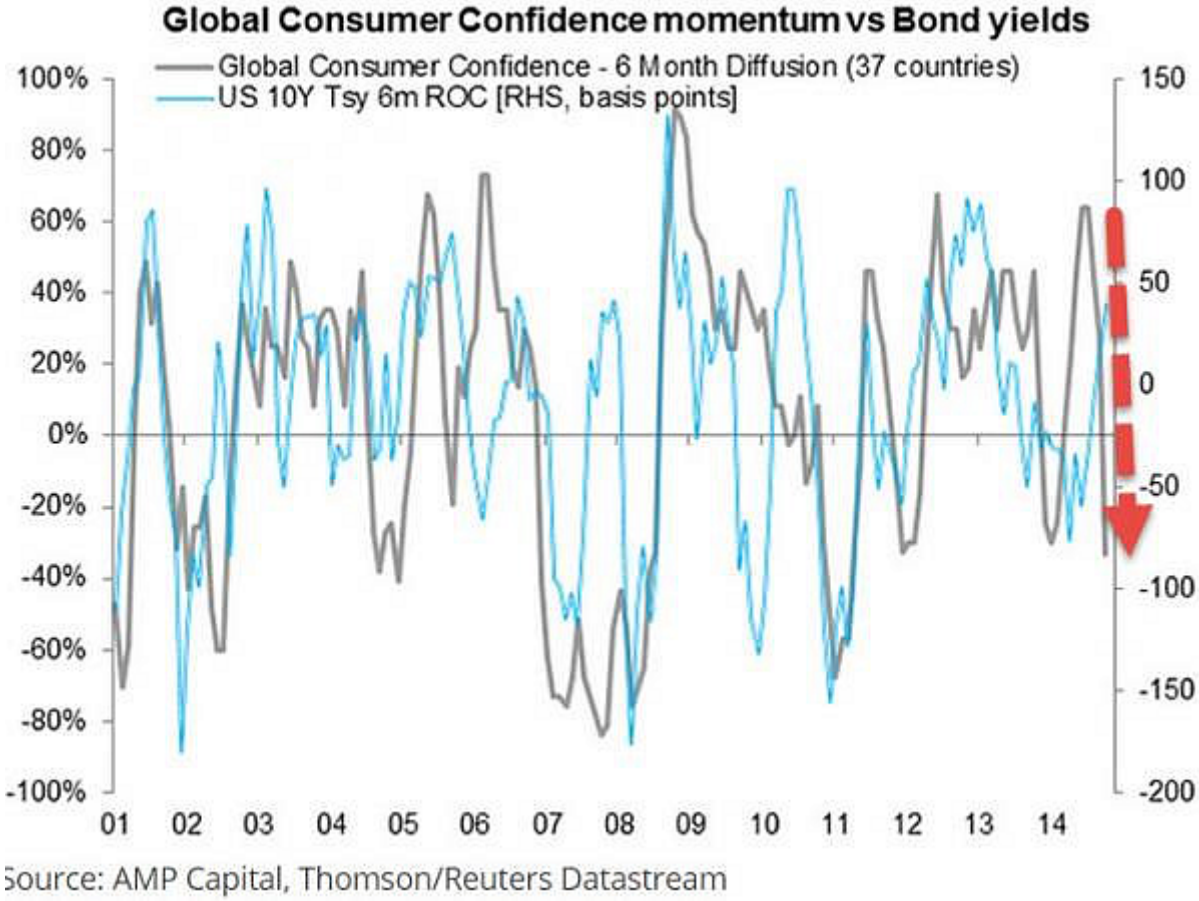
Our experience has shown us that when confidence shifts it is seen in the credit markets. Yields begin weakening, demand falls as confidence in forecasts is reduced and retail spending begins weekening.

(cont.pg.53)

Global Confidence Qeoding Fast! (cont.)

We see all of these now occurring.

If you track the trends in consumer confidence against changes in bond yields, you can see a loose relationship ***(which would be logical as falling demand is consistent with falling bond yields).***



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RISK Assessment

This is Not a Correction... It's the Beginning of the Global Bubble Unwind
VIX

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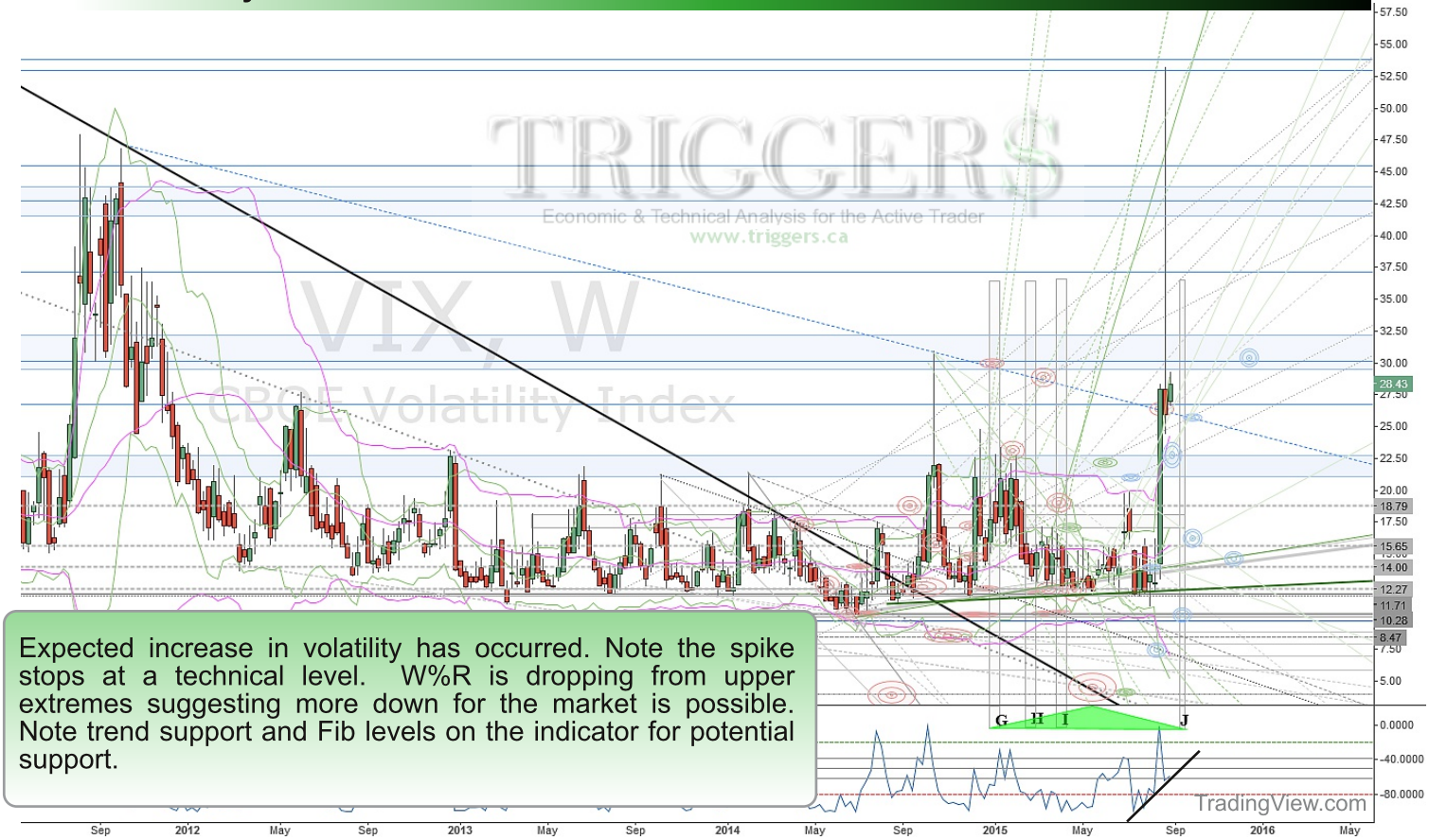
This Is Not A Correction .. It's The Beginning Of The Global Bubble Unwind

VIX - Weekly & Daily

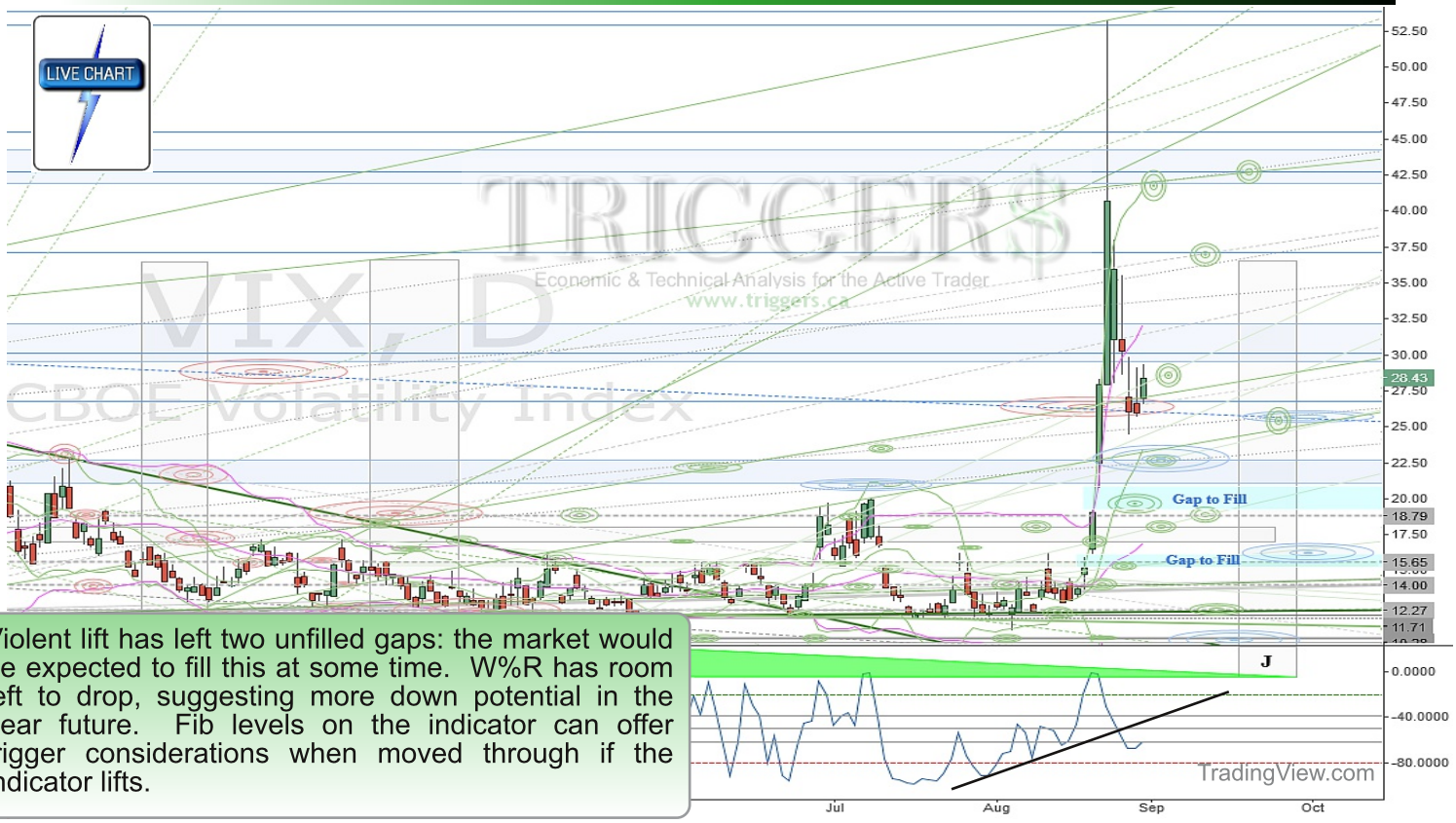
as of Monday August 31st, 2015

Weekly



Expected increase in volatility has occurred. Note the spike stops at a technical level. W%R is dropping from upper extremes suggesting more down for the market is possible. Note trend support and Fib levels on the indicator for potential support.

Daily



Violent lift has left two unfilled gaps: the market would be expected to fill this at some time. W%R has room left to drop, suggesting more down potential in the near future. Fib levels on the indicator can offer trigger considerations when moved through if the indicator lifts.

Never Forget: The Central Banks Have Engineered This Collapse

by James Corbett
TheInternationalForecaster.com

Good news, everybody! The markets are rebounding! Yes, we just a hit a minor bump in the road there, but don't worry, everything is back to normal now. Let's forget about the tail end of last week and this week's Black Monday, shall we? Pay no mind to the uncomfortable lowlights of the global stock rout:

- The staggering $5 trillion wipeout of funny money paper promise "wealth" since the yuan deflation began ($2.7 trillion on Monday alone).
- The all-time record spike on the volatility index (aka the "Fear Index").
- The 1000 point Dow plunge off the opening bell on Monday morning.
- The halting of every major US index during the market mayhem.
- The 4500 mini crash events that forced indices worldwide to halt and unhalt at a dizzying pace.
- The amazing magic levitating act courtesy of our friends at the Plunge Protection Team that brought about the largest intraday point swing in Dow history.

Nope, nothing to see here. And now that this dead cat bounce is underway, surely there will be no more commodity deflation or global economic slowdown or worldwide currency war or historically unprecedented bond bubbles to worry about, right?

OK, enough sarcasm. Readers of this column will know by now that the phoney baloney stock markets, manipulated as they are from top to bottom and juiced as they are on the Fed's QE heroin, are no longer reflective of economic reality. The only question is how far this particular dead cat market will bounce, and whether it will be helped along with more heroin from the Fed.

(cont.pg.57)

Never Forget ... (cont)

But there is already one vitally important take away from these events that the independent media must articulate now, before it's too late. Namely: This crisis was engineered by the central banks. It is their fault.

Let me repeat that again in case you missed it: This crisis was engineered by the central banks.

This point is not even controversial. It has been the universal consensus of institutions ranging from the Bank for International Settlements to the Official Monetary and Financial Institutions Forum, and from OECD officials to former Fed Governors and even Alan "Bubbles" Greenspan himself.

In fact, analyst after analyst and pundit after pundit – including the most mainstream of mainstream publications – have been sounding the alarm on the stock market bubble for much of the past year.

This tells us two things: the current market mayhem was perfectly predictable (and predicted), and the central banks not only stayed the course but actually doubled down with more and more QE injections.

It is the central banks that have created this mess, and what's more they have created this mess in the full knowledge that their actions would lead to disaster. And now, one can be sure, the same central bankers and their political puppet mouthpieces will use this crisis to continue the construction of the "New World Order" that they called for in the wake of the 2008 collapse.

Anyone who can't see the endgame now – global government by the bankers, of the bankers and for the bankers – is either blind or wilfully ignorant.

It is especially important to state these obvious truths now, because we can already see a false narrative underway. This narrative has two main thrusts: one is to paint China as the culprit for the global downturn and the other is to assume that only central banks can save the day (with even greater liquidity injections and even deeper rate cuts).

(cont.pg.8)

Never Forget ... (cont)

The China-as-economic-villain narrative ranges from the subdued ("China's 'Black Monday' sends markets reeling across the globe") to the blatant ("Chinese Economy Causes Markets to Fall") to the silly ("Don Yuan Causes Heartbreak"), but they all convey the same message: China has brought this on the world all by itself. It's not that China is reacting to a global monetary environment created by the Fed and fostered by other central banks, or a global economic slowdown that is biting into a heavily export-driven economy, or the conflicting pressures on the country as it tries to navigate its way toward global reserve currency status. Nope, it's just a bull in a china shop (or is that a China in a bull market?) knocking things over and causing mayhem (Trump was right!).

The only-central-banks-can-save-us narrative is even more infantile, but also more dangerous. We are told that the crash came because China's central bank failed to act. We are told that it's now up to Turkey's central bank to bolster the flagging lira. We are told that the Lehman collapse occurred because of too little central bank intervention. We are told that only the European Central Bank is capable of "riding to the rescue" and preventing a market rout.

In other words the very same institutions that engineered this crisis are the only ones that can save us.

It is the height of insanity that anyone would believe this nonsense, but then again the world fell for it after Lehman, and they're likely to fall for it again. Unless we spread the word.

The banksters did it. And unless we derail their agenda, they're going to do it again.

- end -

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TECHNICAL TRADING:
PLANNING THE TRADE

Having a plan of attack, or trading plan, is considered a “must have” to succeed as a trader. Fortunately this can involve anything you can imagine, allowing you to tailor a strategy specific to your own unique needs (risk).

It is common to have a plan or strategy centered on a few specific key technicals. For example: moving average crosses + an indicator (RSI etc). Another example is the use of Bollinger Bands and the specific signals they generate.

One of the problems that can arise with using technicals in this manner is the signals that are generated regardless of market conditions. They tend to be more useful in specific climates and when these change you can get caught off guard.

The strategies/trading plans used here at TRIGGER$ are built from a general Methodology, not a specific signal generated from a technical or two.

The HPTZ Method used is purely technical, but it takes this concept to the next level *(Hard Core)*. It works regardless of market conditions; removes emotion; and gives multiple entries, exits and stop considerations so that any type of personal trading style can be employed. It offers multiple levels of risk across all time frames and can be used for intra-day trading, position swing trading, or long term investing.

The following technical charts have been built using the methods technical set up and it will be shown how effective trading plans can be created from them.

(cont.pg.61)

Technical Trading... (cont.)

Chart Set-Up

I believe that a proper technical chart set-up is the key to a successful trading plan. Once you have a proper technical set-up, what to do next, what the trade should be, where the exits, stops and targets should go: ***all become obvious***.

Once you have the proper technical set-up, trading itself becomes much easier and turns in to a mechanical business process. As opposed to a crazy emotional dream.

Trading Plans

The following examples demonstrate setting up trading plans. Note that they use a purely technical method and rely solely on the technical set-up.

EURUSD

Here is the original chart befor I start to mark it up for / with a trading plan.

chart 1

From here I like to "frame" the market, looking for significant technicals, sometimes adding new ones when obvious.

(cont.pg.62)

Technical Trading... (cont.)

"Framing" The Market.

All this means is that I am identifying the technicals that are currently holding the market. These should be significant and identify the current pattern and other supporting technicals.

chart 2

With the market framed and the significant technicals highlighted, we can now look for potential opportunities.

In general, we would expect the market to move to the next significant technical when it breaks through one that is currently holding it.

Looking at the chart, this means any broken or moved through orange highlighted technical; with the target being the *next* highlighted technical.

Places where we see other tools converging (ie. Bollinger Bands or Moving Averages) should also be noted as target potentials and places where we would expect to see a market reaction (pause, consolidation, reversal). W.r.t. Bollinger bands and moving averages for example, we know the market will move to these and that they can cause a reaction. This likelihood increases when the tool sits at another significant technical. At the very least it gives us something to look towards.

(cont.pg.63)

Technical Trading... (cont.)

The Plan

Now that the chart has been properly set-up, potential trade opportunities become obvious.

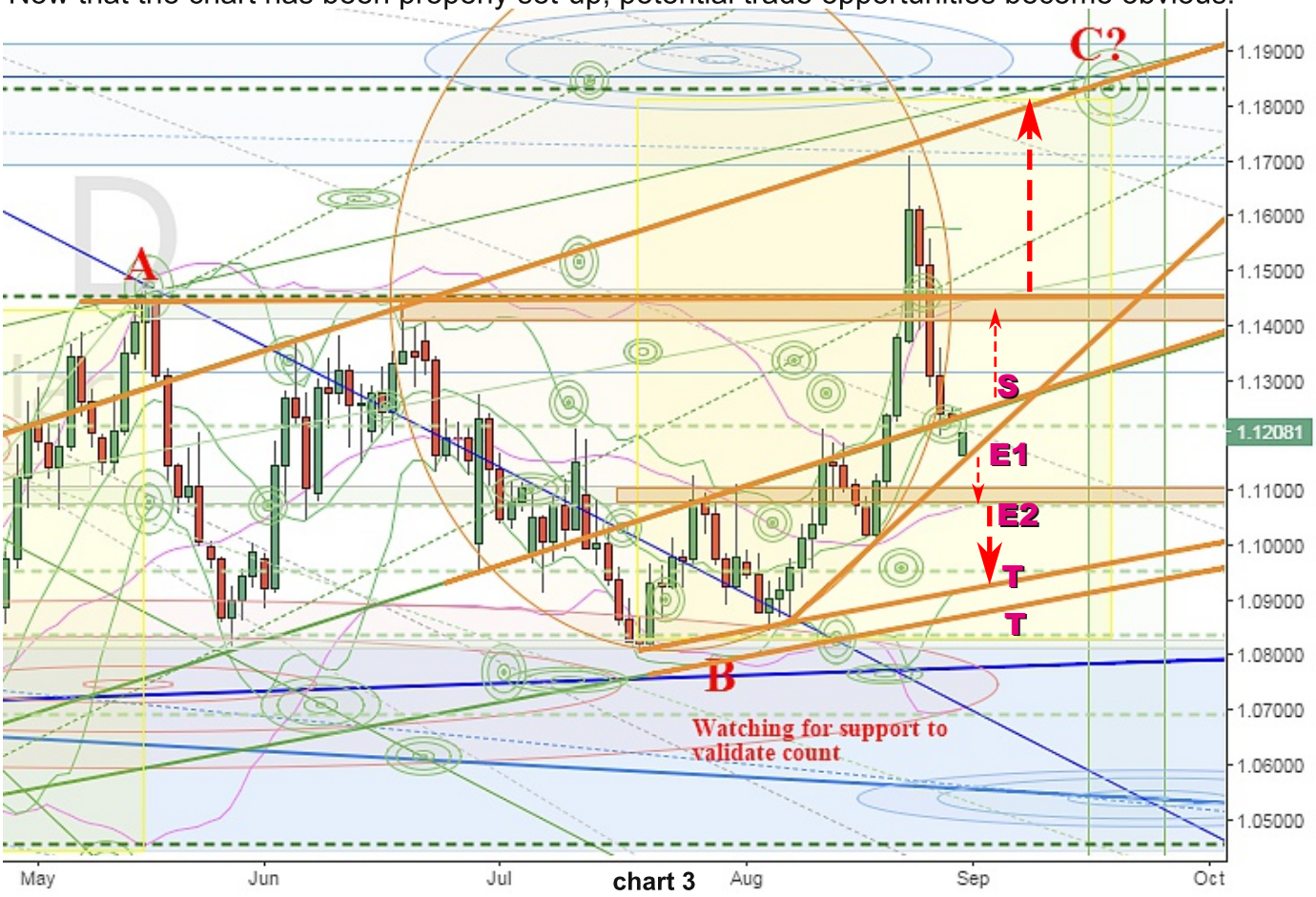

chart 3

Red dashed arrows show examples of technical trigger considerations and the expected move.

Other technicals that have not been highlighted can be seen. These should also be watched for potential reactions, i.e. consolidation, possibly on a smaller time frame, to the main wave you are watching as it moves to the next technical target.

Just as important as entries and targets are the stop considerations. We can again use the significant technicals for these. In **chart 3** above **E1** and **E2** offer technical trigger considerations. **E1** is more aggressive and **E2** also has the 34ma to move through. Targets can be seen at the next significant technicals, **T**. The technical stop can be seen at **S**. This has been chosen because of the significant highlighted technical. If the market breaks above this, then the odds increase it will move to the *next* technical target above as indicated by the red arrow. However, we can also see a potential possibility for the market to *bounce* around **E2** and the 34ma and go back to retest the 13ma and technical at **S**. The stop at **S** allows more room for the market to play out.

The plan for **E1/E2** is just one consideration. Note that if the market lifts, and breaks through the s/r at **S**, we have a technical for a long position. If the market drops and breaks the s/r's at **E1** or **E2**, then we have a technical for a short position. Regardless of how the market breaks or moves, we can see logical tradable plans for either direction (up or down red arrows). This allows you to hold **no bias** towards the next market move or your trade.

(cont.pg.64)

Technical Trading... (cont.)

These charts have focused on the daily time frame only. Multiple time frames should be watched. Watching smaller time frames than the ones you trade from can show you what is going on at significant technicals. Frame the smaller time fames as we did the daily here and improve your market timing on higher level technical entries / exits / stops.

More Examples

The next examples will be of the trading plan only. Take note of why the technicals have been chosen for trigger considerations. There will be multiple technical considerations and potential plans. Stops will not be given, but should be chosen in the same manner as demonstrated with the EURUSD.

SILVER - *Daily* : Significant technicals highlighted in orange offer trigger considerations for a move to the next significant technical.

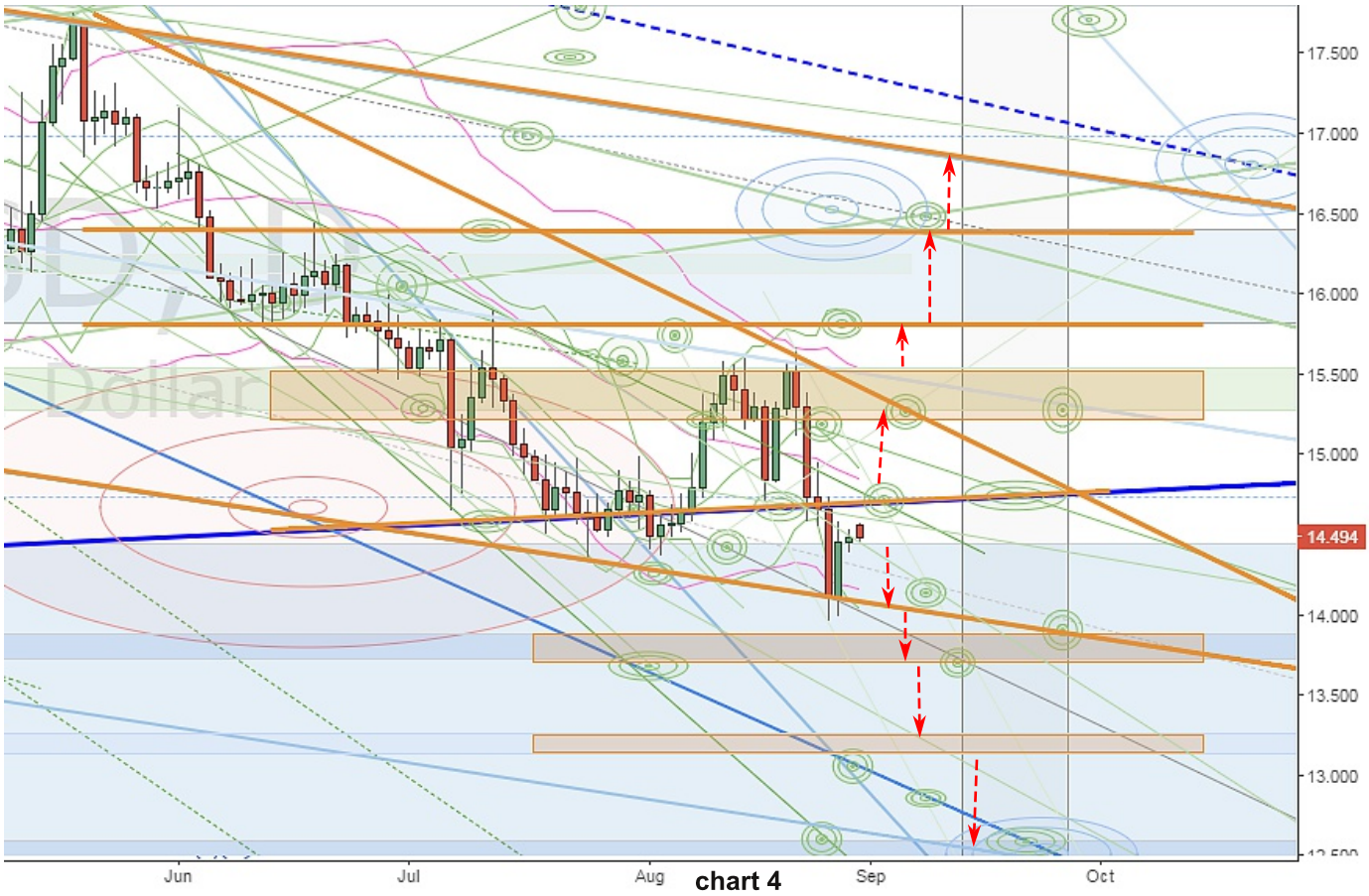

chart 4

Once the chart has been set up and the market has been framed, the next moves become obvious.

Note that although there are red arrows pointing from one level to the next, seldom does the market move in a straight line as they may indicate. Expect reactions at significant technicals as well as potential pullbacks to retest previous s/r's as the market moves in a zig-zag fashion. Add this to your plan.

(cont.pg.65)

Technical Trading... (cont.)

S&P - ***Daily*** : Even markets that seem to be out of control can be seen to continue to respect the technicals. The S&P has had some drastic moves recently, quickly blowing through supports. Note however that the lowest spike down stops at a significant long term blue s/r zone.

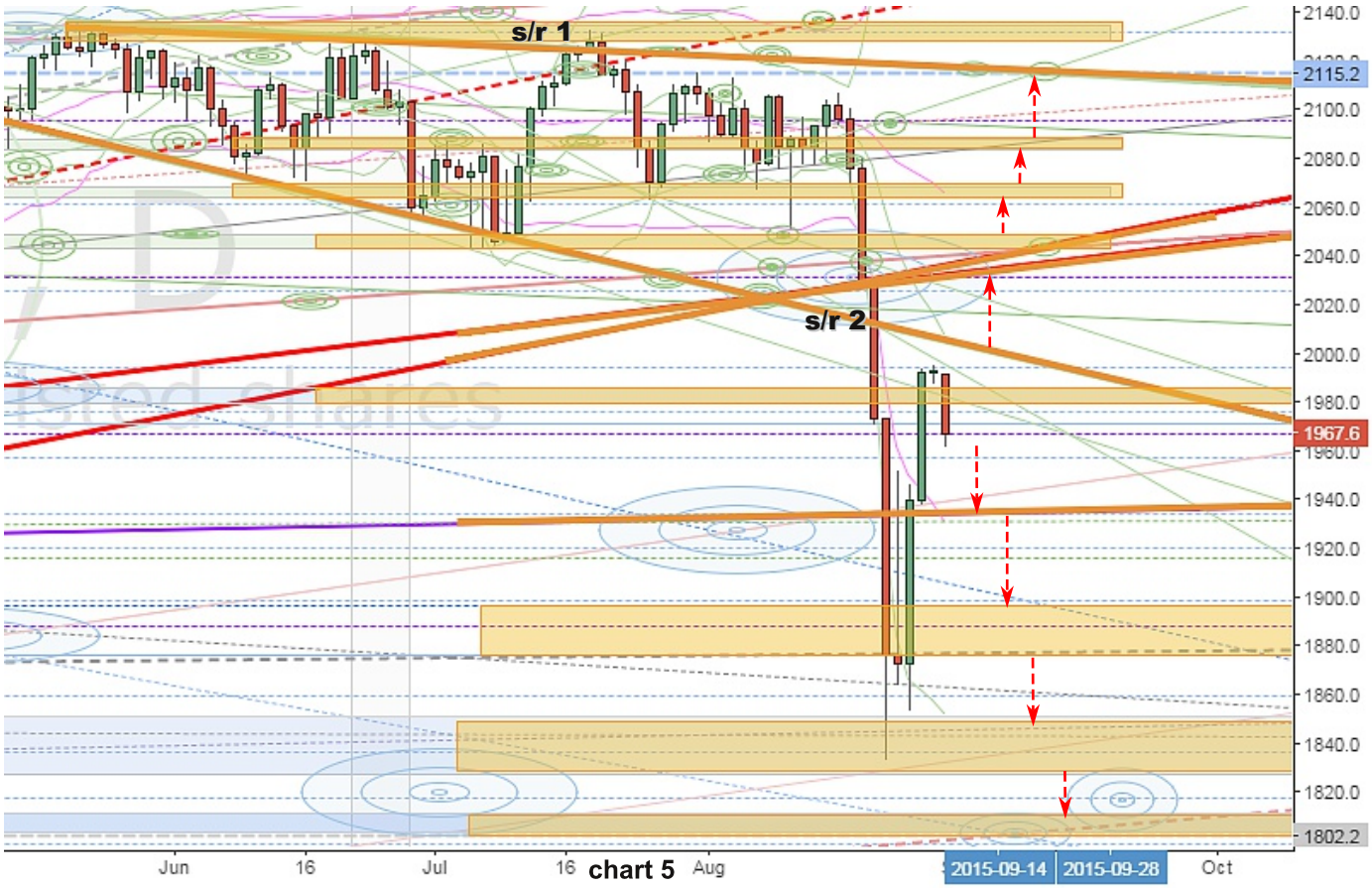

chart 5

Again, once the chart is properly set up the next market moves and potential opportunities become readily apparent.

Conclusion

Recall at the start of this article we briefly discussed trading plans commonly using a few set technicals and specific signals. While these can be effective, they can also fall short when market conditions change, often leaving you holding the bag as you realise what is going on.

The ***HPTZ Method*** we have been using for the trading plans outlined above uses several tools and techniques, all at once, giving clear and accurate market road maps regardless of the current conditions. **Chart 5** and the extreme move that occurred is a good example of this. Prior to the significant dumping the market had been consolidating within a clear expanding wedge pattern (***s/r 1*** & ***s/r 2***). The drop down to **s/r 2** had been expected as the next leg of the wedge pattern. Several technicals can be seen just below **s/r 1** and as these were broken they offered potential trigger considerations for a move to the bottom of the wedge (**s/r 2**). When the market / wedge pattern reached **s/r 2** and didn't bounce, if we weren't already short, we had more

(cont.pg.66)

Technical Trading... (cont.)

opportunities here and at other technicals that broke on the way down. Had the consolidation broke to the upside, then we would have been following the market with longs as it moved through **s/r 1**.

Trading really is as simple as following along with the red arrows given in the charts above. The key is the proper technical set-up of the chart. Once this is in place, where (and even when) the market is going to move next becomes almost obvious. Direction is never know with 100% certainty and technical trading allows you to have no bias and not care which way the market is going to break. You don't guess what it will be, but rather follow along with it when it happens.
While there are never any guarantees, the market can be seen moving from one level to the next; one technical to the next. This can be used to your advantage: when one breaks, plan for a move to the next.

An effective trading plan is essential to successfully trading the markets. As demonstrated, these can be very obvious with the proper technical set up of the chart. While the charts may appear to be a little "crazy", all that is going on is the identification of the significant s/r's, patterns, and other technicals the market is respecting. This was accomplished through a repeatable, mechanical process: the HPTZ Methodology.

I have proven that the method is repeatable, as well as transferable, by teaching it to a few others. Most had little to no technical analysis or trading experience. All have been able to learn the method and are now trading successfully.

One student has decided to pick up and move to another country / continent where he will continue to trade FOREX full time and travel some of the world (he's 28).

This example is in the "really, not shitting you" category. I'm friendly with my neighbourhood variety store owner and we frequently discuss the markets and trading whenever I go in. About a year ago I got him looking at my charts. He was at the time primarily a fundamentals guy with some cycle work thrown in, and had had some success over the years with this approach.

A few weeks ago when I walked in to his store he told me that since using my charts he has been extremely successful. So much so that he is selling his 3 stores so that he can trade full time. Trading part time he had recently grossed over $20K in a short while - it is a no brainer for him.

The point being is that although the charts may look like "too much" initially, ultimately they are an extremely powerful market roadmap and **allow for effective trading strategies / plans to be developed** around them. *(Interested in learning the method for yourself? Contact me for info.)*

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

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

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

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

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

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

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

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