

Stock Market Still Following Path Of 4 Years Ago

eResearch Corporation is pleased to provide a weekly commentary, authored by Tom McClellan, entitled "The McClellan Chart-In-Focus", which is a free technical analysis article published each week.

In this article, Mr. McClellan analyzes the performance of the stock market under various presidential cycles.

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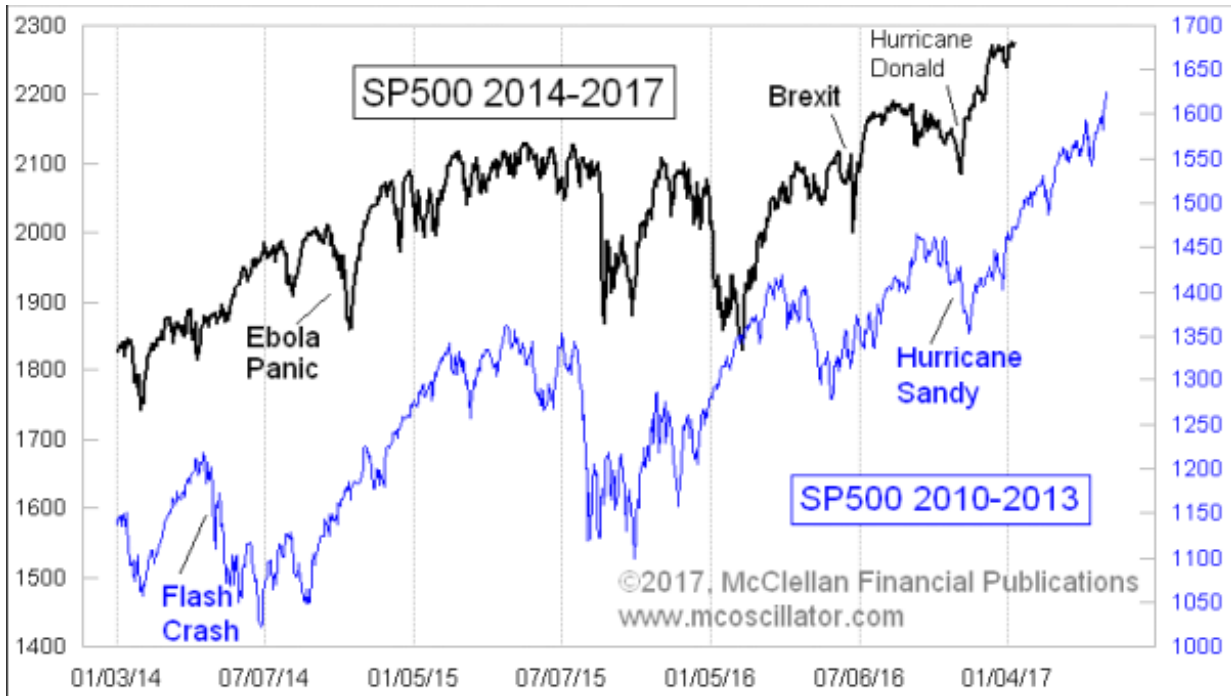
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The McClellan Chart-In-Focus

by Tom McClellan (bio at end)

Investors have been cheering the election of Donald Trump as the 45th U.S. president, thinking that he is going to bring a beneficial change for business, the economy, and investments. But, thus far, what he has brought since the election is just a carbon copy of what happened exactly 4 years before.



I addressed this pattern correlation [here a few weeks ago](#), as foreshadowing what we should all expect depending on the election's outcome. The key point to this chart is just how similar the market's behavior has been during President Obama's second term to what it did in the first term. The major points of disagreement between the two patterns came along from the market's reactions to big geopolitical events, such as the shutdown of QE1 in 2010 that led to a liquidity crisis and the "Flash Crash" on May 6-7, 2010. The post-Brexit swoon in June 2016 is another example.

In each case of discontinuity between the two patterns, they got back on track after a while and ran together again. The pattern matching has even included matching dips in late December of 2016 and 2012.

Early 2013 saw the SP500 continuing to trend higher and, thus far, the SP500 in 2017 appears to be following that same script. We know that it has been able to go off track with major political or Fed intervention, and perhaps inauguration of Mr. Trump will be such an event. But for now, the correlation appears to be continuing.

Tom McClellan

Editor, The McClellan Market Report

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BW: Information on Tom McClellan and *The McClellan Market Report* and *The Daily Edition* follows on the ensuing page.

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ABOUT THE AUTHOR



Tom McClellan

Tom McClellan has done extensive analytical spreadsheet development for the stock and commodities markets, including the synthesizing of the four-year Presidential Cycle Pattern. He has fine-tuned the rules for inter-relationships between financial markets to provide leading indications for important market and economic data.

Tom is a graduate of the U.S. Military Academy at West Point, where he studied aerospace engineering, and he served as an Army helicopter pilot for 11 years. He began his own study of market technical analysis while still in the Army, and discovered ways to expand the use of certain indicators to forecast future market turning points.

Tom views the movements of prices in the financial market through the eyes of an engineer, which allows him to focus on what the data really say rather than interpreting events according to the same "conventional wisdom" used by other analysts.

In 1993, he left the Army to join his father in pursuing a new career doing this type of analysis. Tom and his Father spent the next two years refining their analysis techniques and laying groundwork.

In April 1995 they launched their newsletter, The McClellan Market Report, an 8-page report covering the stock, bond, and gold markets, which is published twice a month. They utilize the unique indicators they have developed to present their view of the market's structure as well as their forecasts for future trend direction and the timing of turning points.

A [Daily Edition](#) was added in February 1998 to give subscribers daily updates on their indicators and also provide market position indications for stocks, bonds, and gold. Their subscribers range from individual investors to professional fund managers. Tom serves as editor of both publications, and runs the newsletter business from its location in Lakewood, WA.

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