

## CHANNEL BREAKERS

February 3, 2017

# Channel-Breakers Portfolio

We have created a Portfolio of stocks by utilizing the “Weekly” Early Warnings segment from [TheUpTrend.com](http://TheUpTrend.com) technical charting system (link below).

**NOTE:** *The Channel-Breakers Portfolio has an intermediate-term perspective. Since this stock portfolio is based on weekly stock charts, we will be updating this report only once a week, on the week-end. Any decisions made on the week-end will be reflected in a Buy, Sell, or Short transaction effected at Monday's Opening Price.*

**COMMENT:** *Both the portfolio and the S&P/TSX Composite dropped slightly last week.*

### CUMULATIVE PORTFOLIO PICKS As at Feb 03

<u>Date</u>	<u>Symbol</u>	<u>Company</u>	<u>Buy / Short</u>	<u>Contract Price</u>	<u>Current Price</u>	<u>First Target</u>	<u>Second Target</u>	<u>&lt;Range Since Purchase&gt;</u>	
								<u>High</u>	<u>Low</u>
Nov 14	GIB.A	CGI Group	Buy	\$65.70	\$63.58	\$68.75	\$75.00	\$66.25	\$60.93
Nov 28	MG	Magna International Inc.	Buy	\$55.26	\$56.78	\$62.50	\$68.75	\$62.10	\$54.76
Dec 12	HSE	Husky Energy Inc.	Buy	\$16.74	\$16.40	\$18.75	\$21.88	\$17.42	\$15.94
Dec 28	ALA	AltaGas Ltd.	Buy	\$34.12	\$31.14	\$35.15	\$35.95	\$35.13	\$30.85

**NOTE:** The Author, *directly* or *indirectly*, may own stocks included in the Channel-Breakers Portfolio.  
As of **Feb 03** these stocks include: **NONE**

The performance of these stocks is provided in the table on the next page.

**PORTFOLIO VALUATION**, with Closing Prices as of: **Friday Feb 03**      **START DATE:** November 11, 2016

<u>Company</u>	<u>Symbol</u>	<u>Purchase Date</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Number of Shares</u>	<u>Purchase Value</u>	<u>Current Value</u>	<u>\$ Gain</u>	<u>% Gain</u>	<u>% of Portfolio</u>
CGI Group	GIB.A	Nov 14	\$65.70	\$63.58	150	\$9,855	\$9,537	(\$318)	-3.2%	9.4%
Magna International Inc.	MG	Nov 28	\$55.26	\$56.78	180	\$9,947	\$10,220	\$274	2.8%	10.0%
Husky Energy Inc.	HSE	Dec 12	\$16.74	\$16.40	600	\$10,044	\$9,840	(\$204)	-2.0%	9.6%
AltaGas Ltd.	ALA	Dec 28	\$34.12	\$31.14	300	<u>\$10,236</u>	<u>\$9,342</u>	<u>(\$894)</u>	<u>-8.7%</u>	<u>9.2%</u>
<b>STOCK PORTFOLIO</b>						\$40,082	\$38,939	(\$1,142)	-2.9%	38.2%
Cash-On-Hand						<u>\$59,918</u>	<u>\$59,918</u>	<u>\$0</u>		<u>58.7%</u>
<b>STOCK PORTFOLIO VALUE</b> .....						\$100,000	<b>\$98,858</b>	<b>(\$1,142)</b>	<b>-1.1%</b>	96.9%
Cumulative Dividend Income							\$85	\$85		0.1%
Realized Gains / (Losses)							<u>\$3,052</u>	<u>\$3,052</u>		<u>3.0%</u>
<b>TOTAL PORTFOLIO VALUE</b> .....						\$100,000	<b>\$101,994</b>	<b>\$1,994</b>	<b>2.0%</b>	100.0%
							Portfolio Annualized Return:		<b>9.4%</b>	
<b>S&amp;P/TSX COMPOSITE INDEX</b> .....						14,555.41	15,476.39	<b>920.98</b>	<b>6.3%</b>	
							S&P/TSX Annualized Return:		<b>29.9%</b>	

The table below is the list of stocks that have been sold (or bought back if shorted).

**Stocks Sold/Bought Back:**

<u>Company</u>	<u>Symbol</u>	<u>Date</u>	<u>Buy / Short</u>	<u>Buy Price</u>	<u>Sell Price</u>	<u>Gain / (Loss)</u>	<u>Purchase Value</u>	<u>Closing Value</u>	<u>\$ Gain (Loss)</u>	<u>% Gain (Loss)</u>	<u>Cum Gain (Loss)</u>
Cameco Corporation	CCO	Nov 14	Buy	\$11.86			\$10,081				
Cameco Corporation	CCO	Jan 18	Sell		\$15.45	\$3.59		\$13,133	\$3,052	30.3%	\$3,052

Below, we set out our guidelines (Modus Operandi) for administering the Portfolio.

## MODUS OPERANDI

The composition of the Channel-Breakers Portfolio is based on theUpTrend.com Weekly charts. We focus on the “Early Warnings” segment of the Weekly Trend Report from the website.

The Weekly charts are intermediate-term in nature, meaning the stocks are held not for trading purposes but for the more likelihood of achieving longer-term capital gains.

Using the weekly charts, we evaluate those stocks that have moved above or below their respective channel-lines.

We started with \$100,000 cash and, when appropriate, we choose either one or two stocks and put an arbitrary approximate \$10,000 in each stock pick. The buy price or the short-sell price will be at Monday’s opening price. All short sells will require the mandatory 30% margin.

We will continue buying or shorting until the Portfolio is fully “invested”, although this could include a sizable cash position. The portfolio is monitored daily and reported on weekly.

If a stock closes at or higher than its Second Target price at the end of a week then, automatically, 1/2 of the position will be sold at Monday’s opening price. Using TheUpTrend.com system, the stock will be further evaluated and, if there is possible further upside, then it will be retained. If not, the entire position will be sold at Monday’s opening. There could be exceptions.

Also, if a stock receives a change of opinion in TheUpTrend.com by breaking below the lower channel-line at the end of a week, then it will be sold at Monday’s opening price.

Similarly, for a stock sold short, if the stock rises above the upper channel-line at the end of a week, then that stock will be bought back at Monday’s opening price, and the 30% margin requirement will be deleted.

If, during the week, the stock plunges dramatically such that it closes 7% or more below its purchase price, then that stock will be sold at the next day’s opening price.

Similarly, if a stock sold short rises dramatically at any time during the week such that it closes 5% or more above its contract price, then that stock will be sold at the next day’s opening price.

Stocks sold either will be replaced, or the sales proceeds will augment the cash portion.

**Information on TheUpTrend.com is presented on the following page.**

## TheUpTrend.com

**COMMENT:** *eResearch Corporation has a special relationship with TheUpTrend.com, and is privileged to be able to access the technical chart information on a vast number of companies that are in the database of TheUpTrend.com. From this source, we are able to identify proprietary stock opportunities, which we are pleased to be able to pass on to our Subscribers. See our Channel Breakers reports posted on our website.*

*Information on TheUpTrend.com follows.*

TheUpTrend.com is a proprietary technical analysis system, devised by Stephen Whiteside, that uses charts and various technical tools to maximize trading and investing experiences.

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TheUpTrend.com provides intra-day, daily, weekly, and monthly technical analysis on global stocks, indexes, ETFs, and futures.

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Knowing when to buy, when to sell, and when to take profits are all part of a responsible and fundamental investment strategy. Execution of these parameters, for most investors, is rarely easy to accomplish. The task is infinitely easier with the use of TheUpTrend.com.

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By providing investors with a set of powerful Decision Support Tools, investors can dramatically increase returns and reduce risk. These tools help investors make better decisions faster, with more confidence, and less stress.

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### **FREE Video Link:**

Throughout the week, and before the market opens, Stephen Whiteside provides, through an audio-video presentation, a technical viewpoint on the stock market. This informative video is provided on the eResearch Corporation website and is available to all eResearch Subscribers. Stephen's 6-8 minute commentary covers both the Canadian and the U.S. market, and reviews the charts of the major country indexes, company stocks, bonds, currencies, and ETFs.

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The detailed features of TheUpTrend.com system are available only to paid subscribers.

**TheUpTrend.com Link:** To learn more, go to [www.theuptrend.com](http://www.theuptrend.com)



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