eResearch
Analyst Article March 15, 2017

TECHNICAL CHARTING OPINION

eResearch Corporation is pleased to feature a technical opinion by Chris Kimble of Kimble Charting Solutions.

Mr. Kimble states, on his website www.kimblechartingsolutions.com, that his goal for his investment research is to:

… help people to enlarge portfolios regardless of market direction by looking for patterns at extreme points of "exhaustion" with a high probability of reversing, called TBNM: tops, bottoms, no middles. The intent is to simplify the decision-making process.

Mr. Kimble has been in financial services for over 30 years.

His research is intended to simplify investment decisions and increase confidence with charts that are clear as to the pattern at hand and action to take. His strategy is to look for chart patterns at extreme exhaustion points that have a high probability of reversing. These extremes reflect excess fear and greed of global investors and, therefore, they can be capitalized upon.

By providing research showing markets at extremes of long term resistance or support, and including bullish/bearish sentiment readings when available, Mr. Kimble attempts to help investors simplify their decision-making, reduce risk, increase confidence, and improve results.

Today's article begins on the following page, and is entitled:
Opportunity with Real Estate at Financial Crisis Lows?

You can access his website and subscribe to his service at the following link:
www.kimblechartingsolutions.com

Wednesday, March 15, 2017

Opportunity with Real Estate at Financial Crisis Lows?

(To enlarge the chart below, place cursor on chart, and <Ctrl-Click>)

The chart below compares the performance of the S&P 500 and [Real Estate ETF (IYR)]() over the past 10-years. Since the highs in 2007, IYR has little to brag about as its net asset value has ***declined 10%.*** The S&P during this same time frame is up 66%.

The next chart, on the following page, compares the relative performance of Real Estate to the S&P since 2001.

The chart above reflects how Real Estate ETF (IYR), continues to be much weaker than the broad market over the past 10 years,

This under-performance now has the ratio testing 2009 financial crisis lows.

Many are of the opinion that IYR benefits from falling rates and is challenged when rates head higher. If the FED is to raise rates today or in the near future, would that put downside pressure on IYR?

With this ratio now testing an extreme low (financial crisis lows of 2009), could this be an opportunity in play at (2) above? Double bottom? Break support? Bounce off support?

<continued>

What the ratio does in the top chart at 2 (testing financial crisis lows) and what the DJ Home Construction index does at (1), could tell us a good deal if the "reflation trade" is peaking or about to really pick up speed to the upside.

We humbly find it very interesting to see two different real estate plays at support/breakout tests at the same time, while the FED is looking at raising rates today.

*e*Research Corporation

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