Analyst Article March 24, 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:
Fund Flows Of This Size Could Mark A Top

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

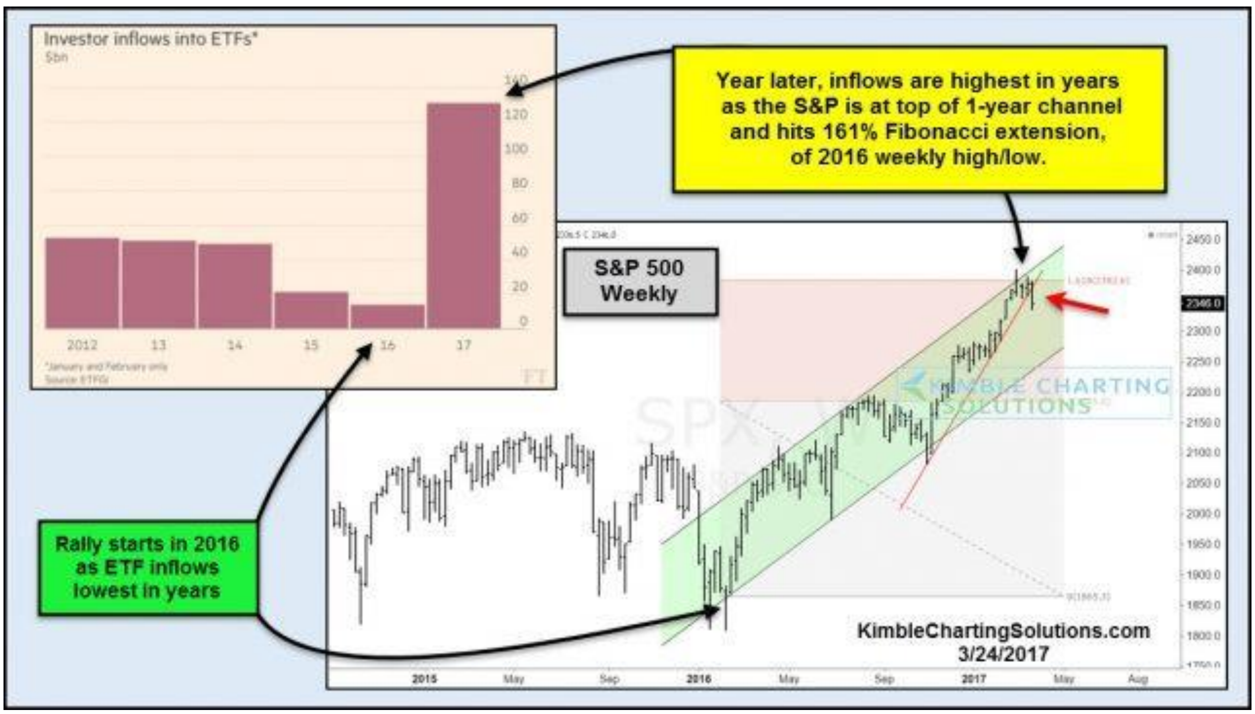
Friday, March 24, 2017

Fund Flows Of This Size Could Mark A Top

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

A year ago, flows into ETFs were extremely low, actually the lowest in years, as many stock market indices were testing rising support off the 2009 lows. The crowd was not adding money to ETFs as lows were taking place. In hindsight, this was a mistake by the majority.

In the chart below, I look at ETF flows over the past few years with an inset chart of the S&P 500.



Nearly three months into this year, fund flows have surpassed money invested in the past few years by a large margin. Could that be a good sign for stocks? Could be!

The trend in the S&P 500, from an intermediate- and long-term perspective remains solidly up. As fund flows are going vertical; the S&P 500 is testing the top of a 1-year rising channel and the 161% Fibonacci extension level, based upon last years (2016) “weekly closing highs and lows.”

While testing the top of the channel and the 161% level the past couple of weeks, the S&P has chopped sideways. This week the S&P is making an attempt to break below rising support that has been in place since the election.

With fund flows at such a high level, the S&P 500 finds itself at a key price point, where the bulls do NOT want to see weakness start creeping into the market.

The crowd missed the boat last year at the lows, will it be different this time, as fund flows are sky high? Investors long the S&P 500 want it to break above the top of the rising channel and Fib 161% extension level, which comes into play at the 2,400 level.

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*e*Research Corporation

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