

Notes From The Rabbit Hole

eResearch Corporation is pleased to provide an article, courtesy of NFTRH.com, and written by Gary Tanashian, with a bio on the Author provided at the end of the article.

The article, starting on the next page, is entitled: **“Trump-Trade Is Intact”**

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Along the way, a geek-like interest in technical analysis, a long-time interest in human psychology, and various unique macro market ratio indicators were added to the mix, with the result being a financial market newsletter (and dynamic interim updates), Notes From The Rabbit Hole (NFTRH) that combines these attributes to provide a service that is engaged and successful in all market environments by employing risk management first, and opportunity for speculation second.

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Trump-Trade Is Intact

By **Gary Tanashian** (bio at the end of the article)

March 23, 2017

The S&P 500's 'Trump Trade' is still intact per a chart guy actually worth listening to, Rich Ross, who I met 7 years ago when he worked at the firm (Auerbach-Grayson) run by my late friend, Jonathan Auerbach. Nice guy with nice, clear charts and no need to over complicate things.

Here he shows SPY above its SMA 50 which, folks, is one of the reasons why I covered my own short positions. The other reasons were that the SOX was still on its short-term moving averages and Goldman and the Financials were smashing into lateral support and getting oversold.

[This one chart shows why 'the Trump trade' is still intact](#)

Okay, so it is an MSM (*Main Stream Media*) (CNBC) soft-serve trying to bait clickers, but it is a guy actually telling us how simple TA (*Technical Analysis*) is. I mean, take a look at [Stocktwits](#) (← that is a link to follow me) or [TradingView](#) and see how complicated people can make their charts.

There are so many tools available that I think you can actually make any chart say pretty much what you *want* it to say. To the uninitiated, that can be dangerous (pay no attention to that overly technical sounding man behind the curtain!) stuff.

So, Ross's simple MA 50 is as good as any other tool, and IMO better than a lot of the overly involved tools that make your jaw drop in awe and your head spin in confusion (hello Elliott Wave, hello Dow Theory, hello Fibonacci Time Zones, etc.).

Very clearly, the stock market is technically intact. My personal view is that there is a decent chance it will become un-intact to the extent that a stronger correction ensues, perhaps after a bounce. That would paint NFTRH's long-held view of SPX 2410 "*by March/April*" (prior to correction) as a really good call. But the market is intact as of now so nothing is settled. What is more, it would be intact at the lateral support zone he notes as well.

This post is from a TA who readily admits to you that TA is a bunch of hocus pocus if not used as a probabilities tool with all due humility and simplicity. My two favorite indicators are, not coincidentally, moving averages and lateral support/resistance. Good job, Rich. MSM needs more understatement and less sensationalizing.

Here is my own version of the S&P 500's chart, with the SMA 50 just below, but also a view of a broken trend-line (all trend-lines break eventually and, so, they are not among my favorite tools). So, let us get a little more detailed; how about SPX tries to bounce to the short-term moving averages (EMA 10 & 20, dotted lines), fails, and then really gets a correction going? If this would be just a routine correction, the noted lateral support shelf would be a good target. Personally, I am leaning toward the correction not nearly being over and will be sensitive to re-establishing short positions against longs held in strategic areas.



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Biiwii.com is proud to be included in the **50 Blogs Every Serious Trader Should Read** from [TraderHQ.com](#).

See **ABOUT THE AUTHOR** on the following page.



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ABOUT THE AUTHOR



Gary Tanashian is a financial market analyst, writer, and editor. He provides “Accurate financial market analysis and commentary focused on unbiased reality as opposed to preconceived assumptions.”

As a long-time participant in financial media (published at leading outlets like SeekingAlpha, Investing.com, and many more), Gary has learned how to communicate with people about often-complex material. He knows that it requires hard work, but he believes that there is no other way in order to provide the highest quality service to the public.

Gary is the owner of Biiwii.com (launched in 2004) and, later, NFTRH.com (launched in 2014).

Biiwii is a financial website that got it RIGHT in the run up to 2008, unlike many in the financial services industry.

He is the owner and publisher of the weekly premium financial market report Notes From The Rabbit Hole, which was launched in September, 2008.

Notes From The Rabbit Hole is a premium newsletter service (including detailed in-week updates) for people who care more about financial market realities than having their preconceived notions reinforced. <http://nftrh.com/nftrh-premium/>

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