eResearch

Analyst Article May 5, 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:
Stocks Do Not Want Weakness Here

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

Note: All of the comments, views, opinions, suggestions, recommendations, etc., contained in this Article, and which is distributed by *e*Research Corporation, are strictly those of the Author and do not necessarily reflect those of *e*Research Corporation.

Friday, May 5, 2017

Stocks Do Not Want Weakness Here

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

Many seem to be talking about the growth/reflation theme that has taken place post-election. Did this theme really start improving post-election?

The chart below would put a little question into the date.

The chart below looks at the TR Commodity index over the past 40-years. The index hit support at (1) and started moving higher. When did the index hit a low last year on a monthly closing basis? The monthly low took place at the end of February 2016, 9-months **"before"** the election.

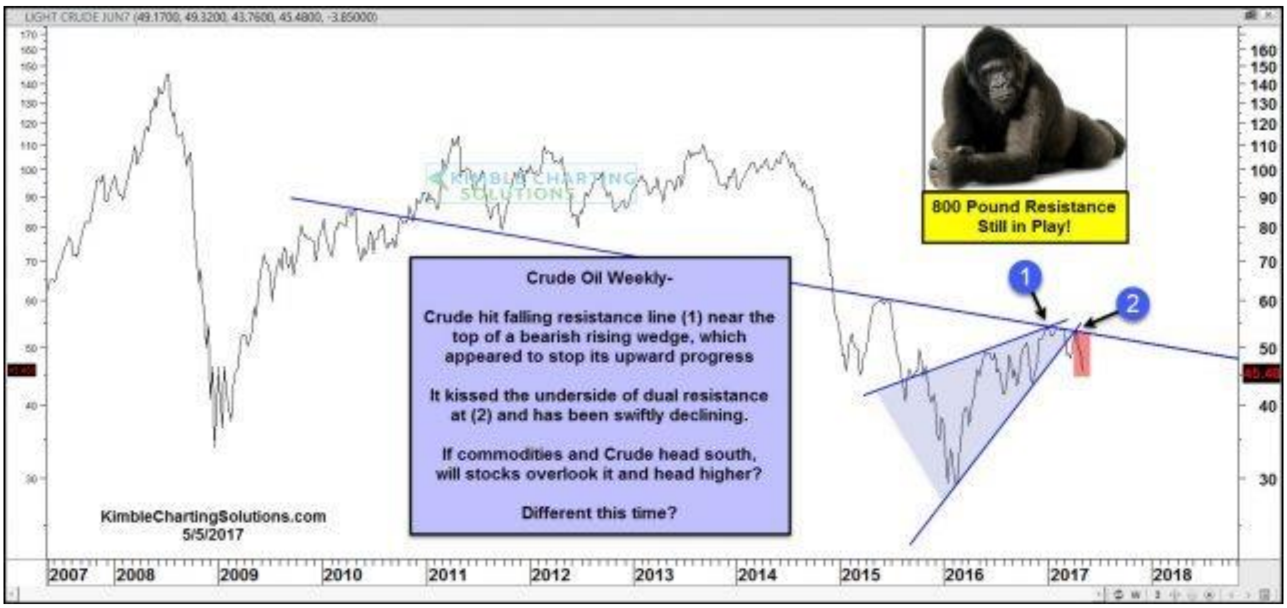
<Ctrl-Click> ON CHART TO ENLARGE

The index remains in a downtrend since the highs back in 2011, which looks to have formed the head, of a multi-year head & shoulder topping pattern. The swift decline that started in July of 2014, took it down to support at (1). This is where a counter-trend rally started, that many call the reflation/growth rally. Regardless of what label one wants to put on the rally, the index did hit triple resistance in a downtrend at (2) and has turned south of late.

The growth/reflation theme would be put into question if neckline support at (1), would happen to give way! A support break at (1), would suggest that dis-inflation or de-flation is in play.

So far, weakness in the index since the highs back in 2011, has not impacted stocks in a negative way at all. Stocks and this index did bottom together at (1) and both have struggled a little, as resistance was hit at (2) in the chart above.

The next chart looks at Crude Oil over the past decade and what is taking place after it hit an 800-pound resistance line.



<CTRL-CLICK> ON CHART TO ENLARGE

Crude Oil and the NYSE index do not always correlate, but they have over the past two years. With Crude kissing the underside of 800 pound resistance at (2) and turning lower, stock bulls hope that either Crude bounces back or correlations between the two end.

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