



SEASONALITY TRENDS

eResearch Corporation is pleased to provide a graphic (next page) showing the seasonality trends of market indexes, sectors, and sub-sectors. This chart was compiled from data provided on the website of **Equity Clock**. Each morning, eResearch posts a report on its website that has links to that day's **Equity Clock** report as well as that of its sister publication, **Tech Talk**. eResearch strongly recommends that investors visit the respective websites, which feature the work of Don and Jon Vialoux. www.equityclock.com and <http://www.timingthemarket.ca/techtalk/>.

Seasonality: The following information regarding seasonality has been taken from the **Equity Clock** website:

Seasonality refers to particular time frames when stocks/sectors/indices are subjected to and influenced by recurring tendencies that produce patterns that are apparent in the investment valuation. Tendencies can range from weather events (temperature in winter vs. summer, probability of inclement conditions, etc.) to calendar events (quarterly reporting expectations, announcements, etc.). The key is that the tendency is recurring and provides a sustainable probability of performing in a manner consistent to previous results.

A seasonality study preferably uses at least 10 years of data. Most of our studies use 10-20 years of data; however, data may not always be available for periods greater than 10 years in length. Studies using less than ten years of data can be used, but they tend to be less reliable. Results of shorter-term studies have a higher chance of being skewed by a single data point.

The chart on the next page shows the periods of seasonal strength for each market segment. Each bar will indicate a buy and sell date based upon the optimal holding period for each market sector/index.

COMMENT: *This chart was first posted on the eResearch website on May 5, 2016. As it is a useful investing tool on an on-going basis, we will post it at the beginning of every month.*

SECTORS IN FAVOUR IN JUNE (3 starting and 4 ending this month):

Adding this month: Biotechnologies, Silver, and Copper.

Deleting this month: S&P/TSX Composite, Banks, Gas Utilities, and Natural Gas

S&P/TSX Composite	From: October 28	-	Until: June 5
NASDAQ	From: April 15	-	Until: July 17
Consumer Staples	From: April 25	-	Until: November 23
Health-Care	From: April 25	-	Until: December 4
Technology	From: April 15	-	Until: July 17
Banks	From: November 22	-	Until: June 4

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Biotechnologies From: June 22 - Until: September 30
 Gas Utilities From: December 11 - Until: June 18
 Silver From: June 28 - Until: August 4
 Copper From: June 27 - Until: July 28
 Oil From: February 12 - Until: August 20
 Natural Gas From: March 13 - Until: June 18

SEASONALITY TRENDS															
	January	February	March	April	May	June	July	August	September	October	November	December			
S&P/TSX Comp.						5						28			
S&P 500 Index					5							28			
NASDAQ	15		15					17				9			
Russell 2000			4								23				
DJ Transports	3		16									2	8		
VIX									3				9		
US Dollar Index	1	31													
Energy	21				9			18	17						
Materials					5								20		
Industrials						10								29	
Discretionary					12						17				
Staples				25								23			
Health-Care				25										4	
Financials				13										22	
Technology	15		15					17				9			
Utilities									23				3		
Real Estate			3	10				1	19						
Banks					4								22		
Biotechs	18						22	30					16		
Gas Utilities							18	8		31			11		
Metals & Mining	6													20	
Retail	21			12								27	29		
Gold									27	10					
Silver	21					28	4							15	
Copper				19			27	28						15	
Oil	12				21	21	20								
Natural Gas			13					18	3		30				

Source: Equity Clock

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