

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, *e*Research 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**. *e*Research strongly recommends that investors visit the respective websites, which feature the work of Don and Jon Vialoux. www.equityclock.com and <u>http://www.timingthemarket.ca/techtalk/</u>.

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 JULY (4 starting and 3 ending this month):

Adding this month: VIX, Utilities, Real Estate, and Gold Deleting this month: NASDAQ, Technology, and Copper

NASDAQ	From:	April 15	-	Until:	July 17
VIX	From:	July 3	-	Until:	October 9
Consumer Staples	From:	April 25	-	Until:	November 23
Health-Care	From:	April 25	-	Until:	December 4
Technology	From:	April 15	-	Until:	July 17
Utilities	From:	July 23	-	Until:	October 3

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Real Estate	From:	July 1	-	Until:	September 19
Biotechnologies	From:	June 22	-	Until:	September 30
Gold	From:	July 27	-	Until:	October 10
Silver	From:	June 28	-	Until:	August 4
Copper	From:	June 27	-	Until:	July 28
Oil	From:	February 12	-	Until:	August 20

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Source: Equity Clock	E-wite of - 1												

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