

Biiwii Commentary

eResearch Corporation is pleased to provide an article, courtesy of Biiwii.com, and written by Chris Ciovacco (link to the Author is provided on the following page).

The article, starting on the next page, is entitled: **“Red Flags Coming From This Breadth Indicator”**.

Biiwii.com was created in mid-2000 solely as a way to help get the message out about deeply-rooted problems about too much debt and leverage within the financial system. The concerns were confirmed and the message proved justified 3 to 4 years later as the system began to purge these distortions, resulting in a climactic washout extending from October, 2008 to March, 2009.

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.

But It Is What It Is: You can access Biiwii at its website: www.biiwii.com.

Notes From The Rabbit Hole: You can access NFTRH at its website: www.NFTRH.com

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Bob Weir, CFA
Director of Research

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



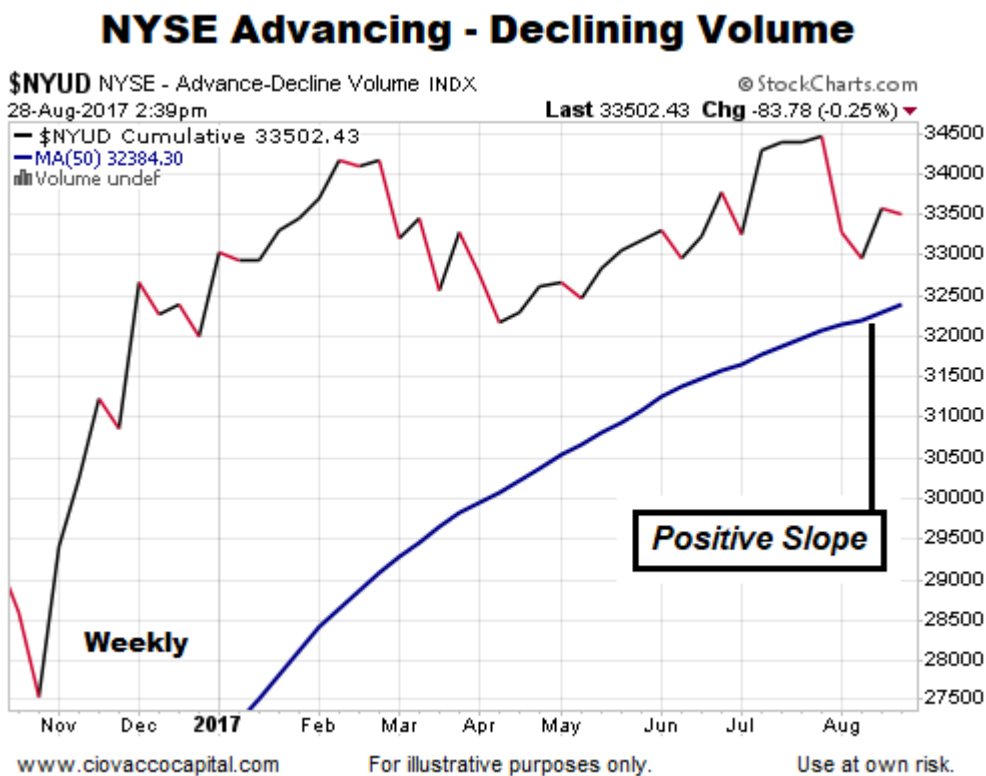
Red Flags Coming From This Breadth Indicator

By [Chris Ciovacco](#)

August 31, 2017

Volume-Based Indicator Still Constructive

The chart below shows up/down volume for the NYSE Composite Stock Index, along with its 50-week moving average (thick blue line). The chart is dated August 28, 2017.



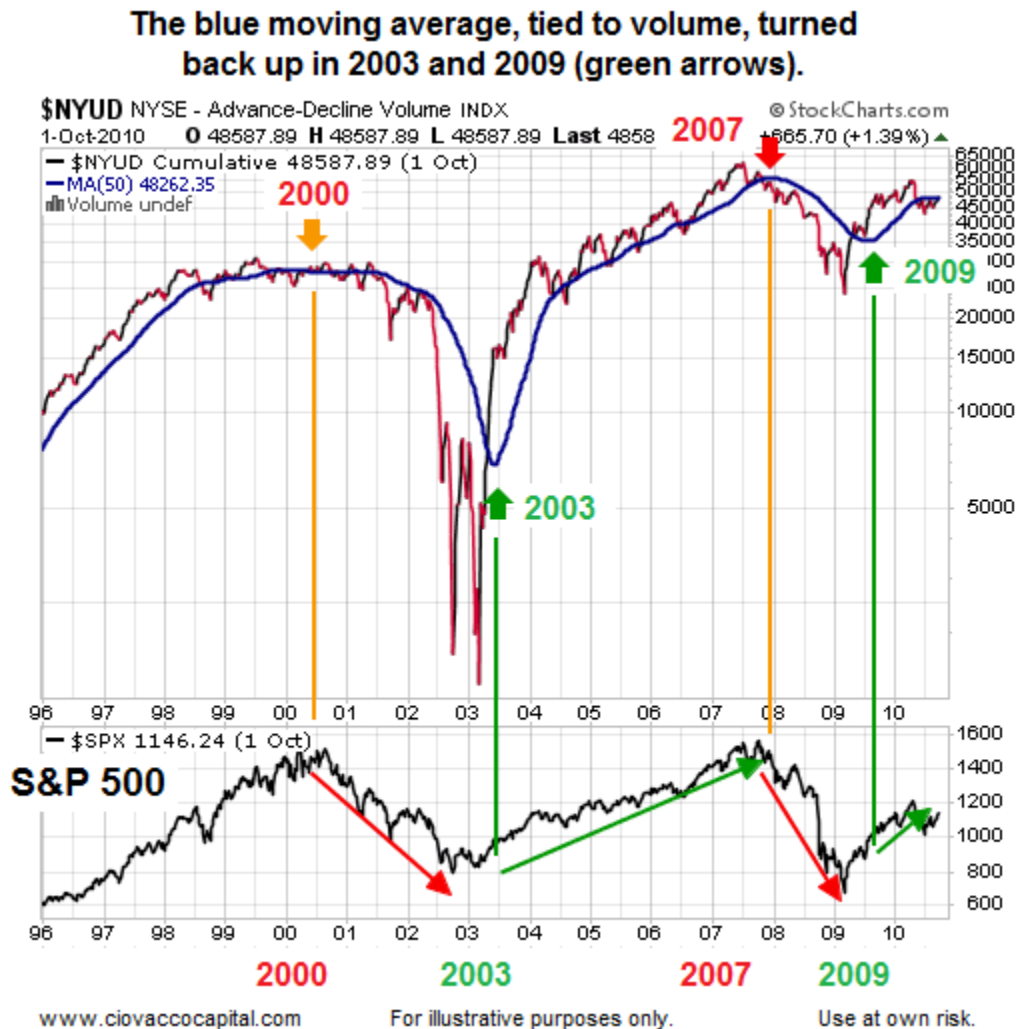
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Some Historical Perspective

Notice how, all-things-being equal, the probability of bad things happening increases when the 50-week moving average is flat or negative (see orange and red arrows below).

Conversely, the probability of good things happening increases when the 50-week moving average turns back up in a bullish manner (see green arrows below). The S&P 500 is shown at the bottom of the image below for reference purposes.



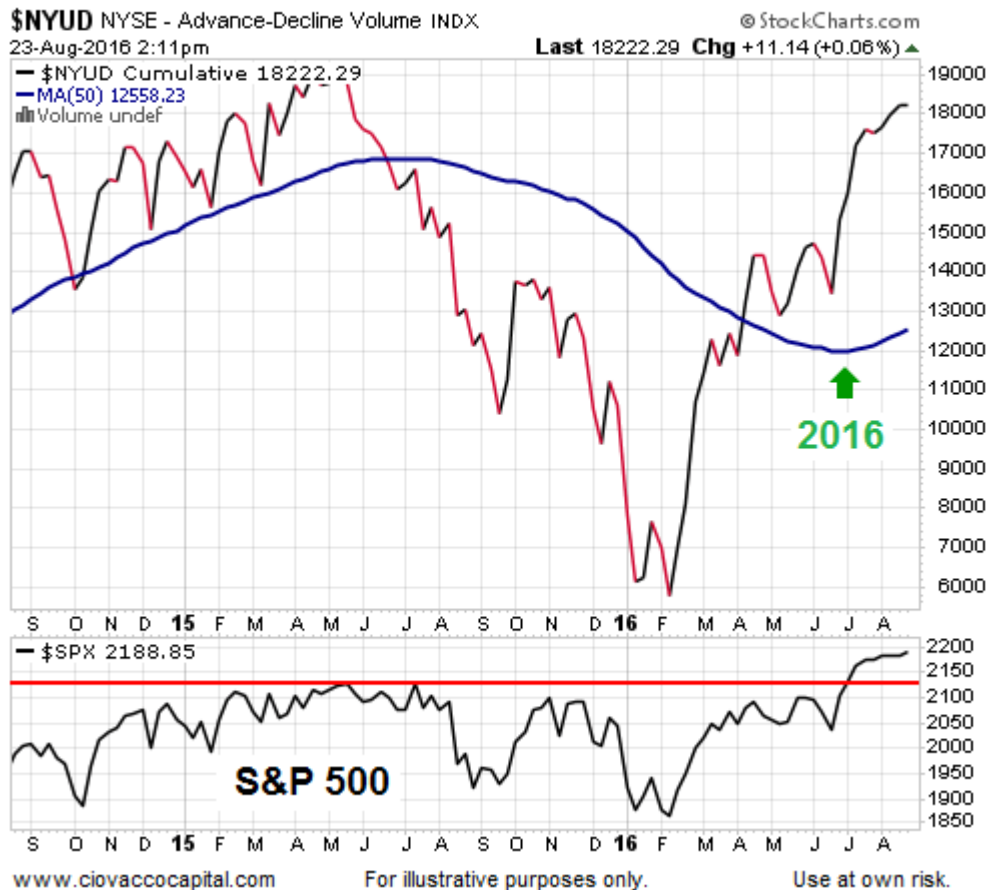
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Trend Flipped In Favor Of The Bulls In 2016

In simplified terms, volume patterns shifted from favoring declining issues in early 2016 to favoring rising issues in the second half of 2016 (see green arrow below). The constructive look of the chart is still in place as of August 28, 2017.

Similar to the turns in 2003 and 2009, the slope of the blue 50-week recently flipped back to positive territory.



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The Long-Term Outlook For Stocks

This week's video (See the LINK below) updates numerous long-term signals covered over the past year. The video covers facts rather than opinions or fears of what may or may not happen in the future.

After you click play, use the button in the lower-right corner of the video player to view in full-screen mode.

Hit "Esc" to exit full-screen mode.

BW: The video is 21 1/2 minutes in length. It gives an EXCELLENT overview of the market in its current context. CC uses Moving Averages to block out short-term market corrections in order to give the longer-term market trend. The video is well worth watching.

LINK: <Ctrl-Click>

https://youtu.be/-TnqSP_21Bk

A Foolproof Signal?

Since there is no such thing as a foolproof indicator or signal in the financial markets, the recent bullish shift in up/down volume assists us with probabilities. As long as the slope of the 50-week remains positive, the odds of good things happening will be higher.

Long-Term Means Long-Term

The facts covered above relate to longer-term outcomes, meaning weeks, months, and years. For this data to be used effectively, we must have realistic expectations about normal volatility within the context of a rising trend.

Biiwii/NFTRH on the Web

[NFTRH](#) and [Biiwii.com](#) commentary and technical analysis have regularly been published, highlighted and/or quoted at [SeekingAlpha](#), [Investing.com](#), [MarketWatch](#), [Yahoo Finance](#), [Ino.com](#), [TalkMarkets](#) and many more since 2004.

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

Biiwii: but it is what it is

NFTRH: Notes From The Rabbit Hole