

Near-Term Trends May Be Changing

eResearch Corporation is pleased to provide an article by Keith Richards of **VALUETREND**.

In this article, Mr. Richards shows weakness emerging in the S&P/TSX Composite and in the S&P 500 Index. He is 40% cash.

The article is reproduced below, beginning on the next page, or you can go directly to it at the following link: <http://www.valuetrend.ca/nearterm-trends-may-changing/>

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By: Keith Richards (bio at end)

The *TSX300* hit and slightly over-reached my target (set back in 2015) of 15,600. See the chart below. It actually got pretty close to 16,000 before reversing into what I must say was a fairly predictable decline from those levels.

The TSX remains in a near-term down-trend and sits near 15,100 as I write this blog.

How low could it go? Well, it is a fairly concentrated index so you do need to pay attention to its three main sectors (financials, energy, and materials) to determine where it is going next.

But I would give it a good shot of hitting the dashed green line of support on the chart below – which lies somewhere around 14,500 or thereabouts.



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The big picture for the *S&P 500* looks to be maintaining its up-trend (rising black trend-line, and above the 200 day MA) on the chart shown on the next page.

Money-flow (bottom pane) is bullish, despite slowing near-term money-flow momentum (top pane).

However, a minor trend-line break (green line) is appearing on the daily chart.

That is an early signal, and it may prove invalid. However, some of the factors I mentioned in [this blog](#) suggest that the U.S. market is ripe for a correction and, if you have not already, you might want to read it.

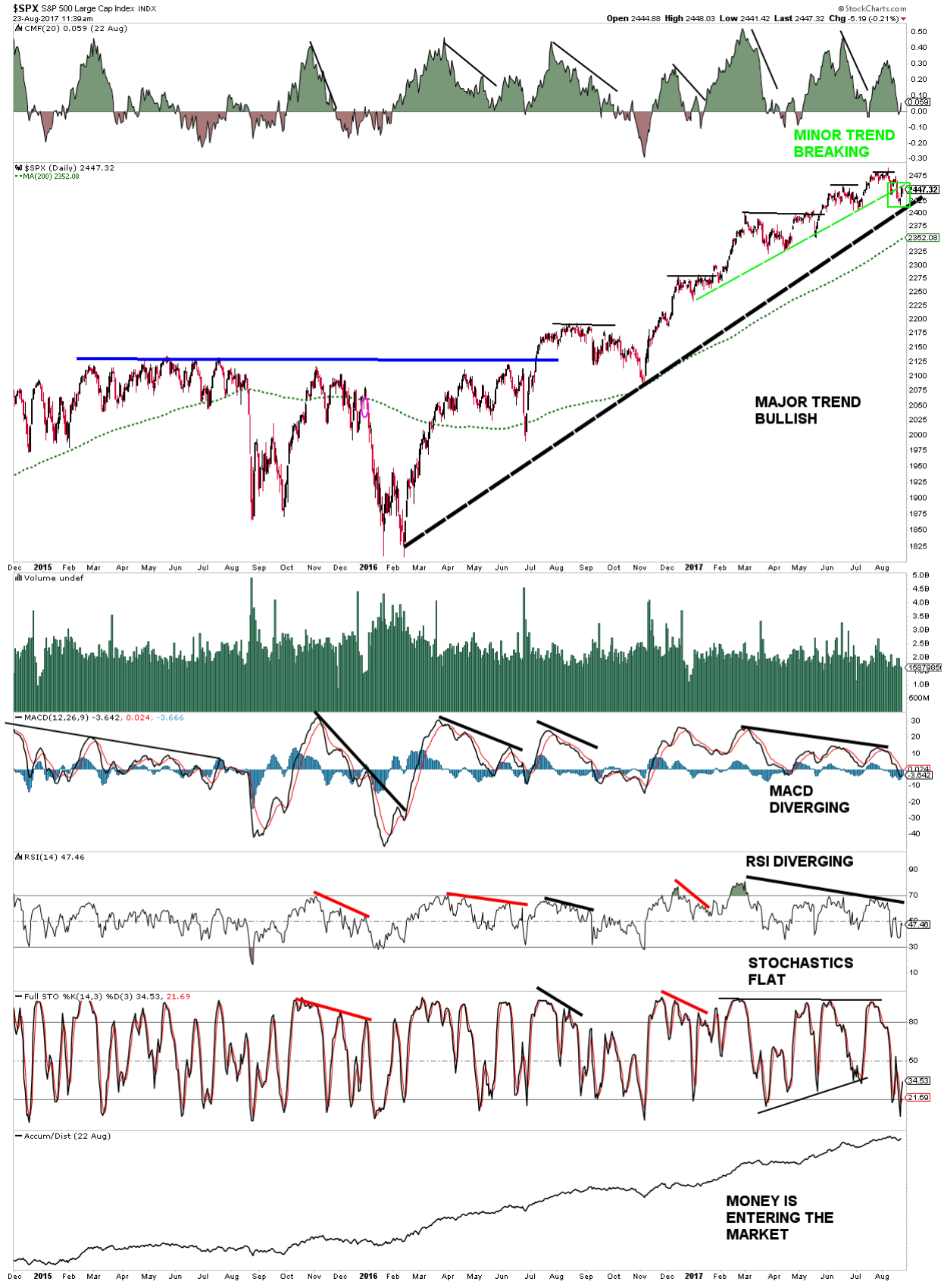
MACD has been diverging for a while, and other momentum studies have too.

I also note that many of the market leaders in the FANG (FB, AMZN, NFLX, GOOGL) are faltering. So, keep your eyes open—there are many other factors, such as breadth and seasonality, that are weighing against continued upside for this index.

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VALUETREND

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We are 40% cash with a 5% USD Treasury bond position in the ValueTrend Managed Equity Platform.

We have a huge list of stocks that I like technically, and Craig likes fundamentally. We are looking for an opportunity to buy any of them on weakness. Perhaps nothing will come of the signals I note above. But, if something does happen, we are prepared.

Perhaps you should be, too.

Keith on BNN's "MarketCall Tonight" show, Wednesday September 6, 2017 at 5:30pm

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See **About The Author** on the following page.

ABOUT THE AUTHOR



ValueTrend Founder and Owner, Keith Richards, has been in the securities industry since 1990. ValueTrend manages over \$100 million through a discretionary investment service for high-net-worth clients.

Keith Richards has been in the securities industry since 1990 and is a highly regarded member of the small, exclusive community of Chartered Market Technicians in Canada. Mr. Richard's articles appear regularly in INVESTORS DIGEST, MONEYLETTER, GLOBE AND MAIL, and the TORONTO STAR newspapers.

His appearances on BNN Television have inspired producers to acknowledge him as **“one of [our] most accurate technical analysts.”** Mr. Richard's first book, SMARTBOUNCE: 3 ACTION STEPS TO PORTFOLIO RECOVERY, is available in bookstores and directly through his blog page www.valuetrend.ca/blog/. His second book, SIDEWAYS: USING THE POWER OF TECHNICAL ANALYSIS TO PROFIT IN UNCERTAIN TIMES was released in late 2011. He has been critical of the commission-based, follow-the-pack approach to investing – where brokers succeed regardless of performance.

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