

## Biiwii Commentary

**eResearch Corporation** is pleased to provide an article and video, 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: **“Major Break-Out Still In Play”**.

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](http://www.biiwii.com).

**Notes From The Rabbit Hole:** You can access NFTRH at its website: [www.NFTRH.com](http://www.NFTRH.com)

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Bob Weir, CFA  
Director of Research

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## Major Break-Out Still In Play

By [Chris Ciovacco](#)

October 23, 2017

### Short-Term View

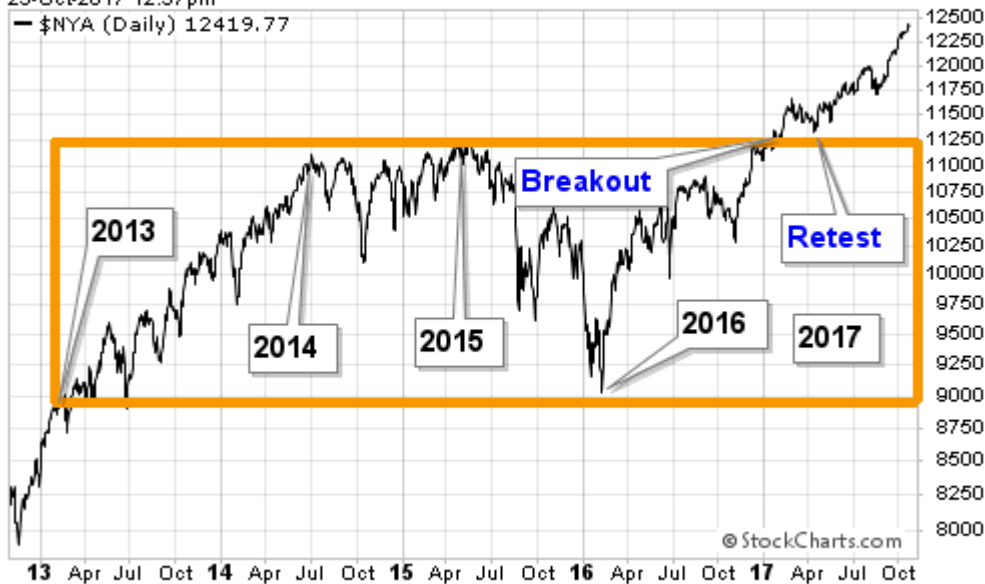
The NYSE Composite stock index traded near the bottom of the orange box shown below in 2013 and 2016. The index visited the top of the box in 2014, 2015, and again in late 2016, before breaking out. A successful retest of the breakout occurred earlier in 2017.

### NYSE COMPOSITE 2013-2017

\$NYA NYSE Composite Index

23-Oct-2017 12:57pm

— \$NYA (Daily) 12419.77



[www.ciovaccocapital.com](http://www.ciovaccocapital.com)

For illustrative purposes only.

Use at own risk.

### Fractals Are Key

Since markets move in fractals, we can apply the same principles to patterns that form on short-term charts to those that appear on long-term charts, even very long-term charts.

From [stockcharts.com](http://stockcharts.com):

*Rectangles represent a trading range that pits the bulls against the bears. As the price nears support, buyers step in and push the price higher. As the price nears resistance, bears take over and force the price lower. One group (bulls or bears) will exhaust itself and a winner will emerge when there is a break-out. Only until the price breaks above resistance or below support will it be clear which group has won the battle.*



## Did The 1987 Crash Come Out Of Left Field?

As the years have gone by, many have come to believe the crash that occurred on Black Monday, October 19, 1987 was a true “we had no warning at all” black swan. This week’s video looks at the facts that were in place the Friday before Black Monday, allowing us to better understand the odds of something similar happening in 2017.

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 41 minutes, 46 seconds in length. It reviews the stock market plunges of 1987, 2011, and 2017.

**LINK: <Ctrl-Click>**

<https://youtu.be/h2zotAlnwQI>

## The Very Long-Term View

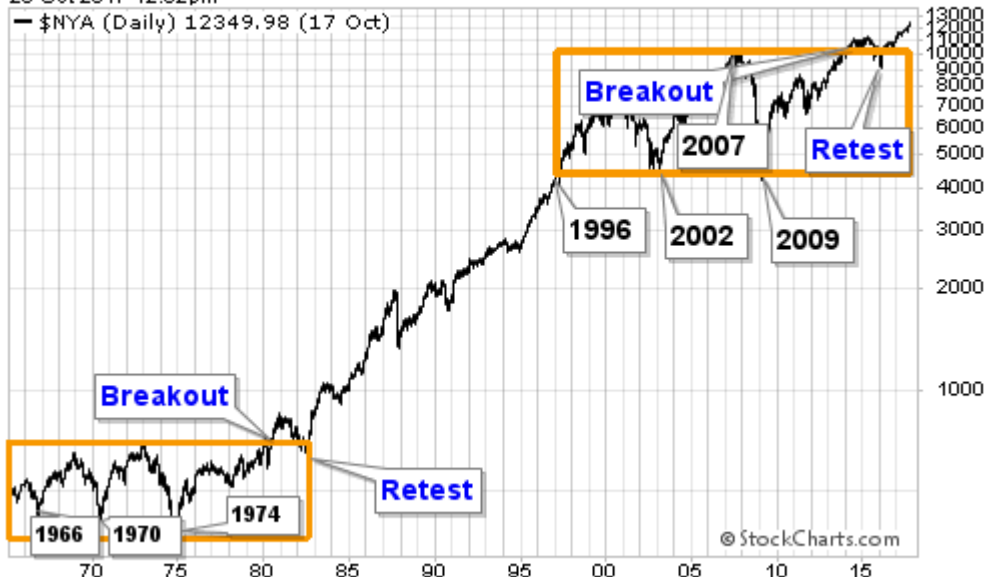
When we view the NYSE Composite Stock Index from 60,000 feet, we see a long-term period of indecisiveness that occurred between 1966 and 1982. After a successful break above resistance and a successful retest, stocks rallied for a very long period. A similar period of long-term indecisiveness took place between 1996 and late 2016. As of this writing, the bullish break-out is still in place.

### NYSE COMPOSITE 1966-2017

\$NYA NYSE Composite Index

23-Oct-2017 12:52pm

-\$NYA (Daily) 12349.98 (17 Oct)



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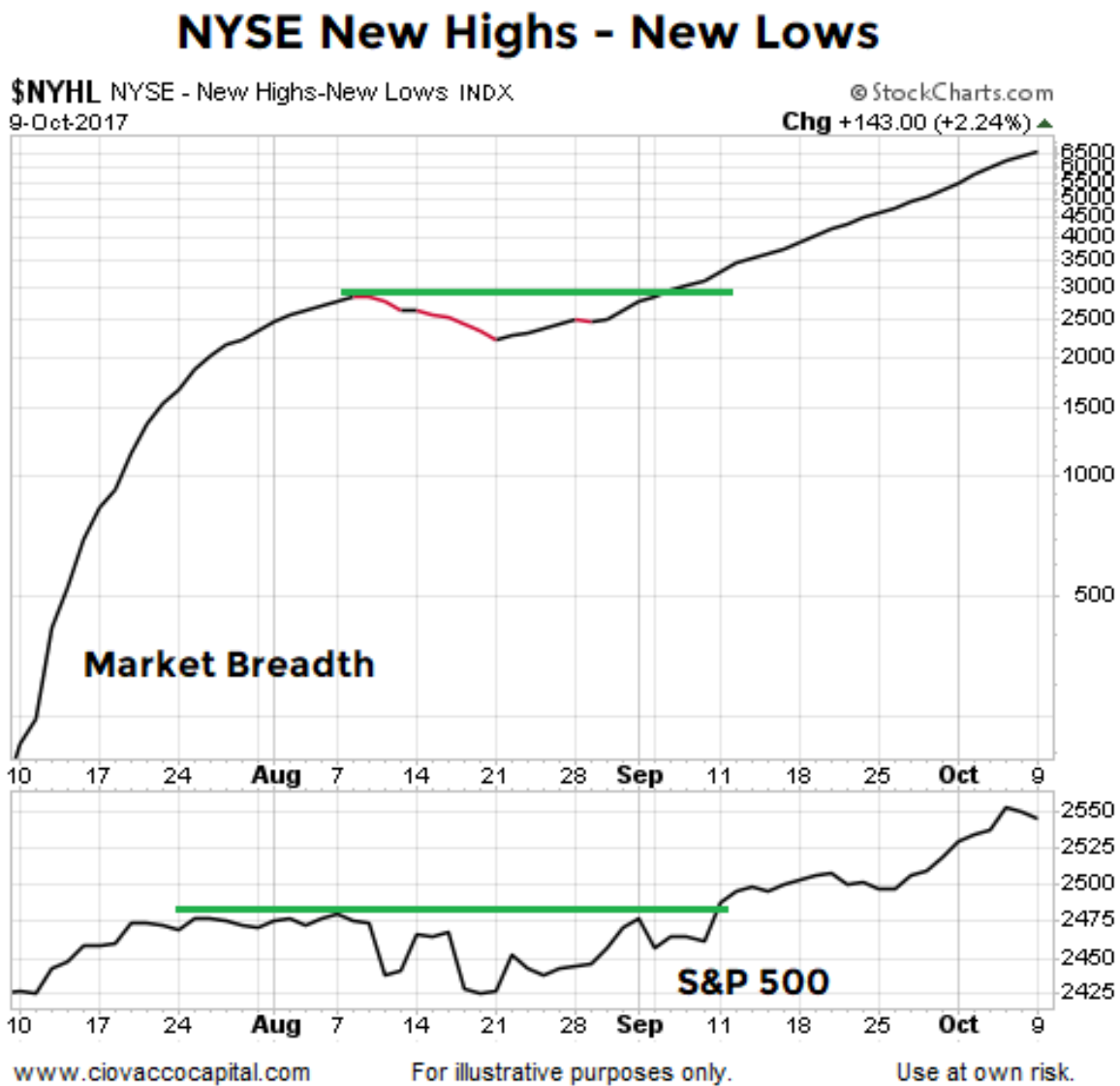
Use at own risk.



Market history tells us the longer a market goes sideways, the bigger the move we can expect to get once a bullish break-out or bearish break-down occurs. In the present day, stocks moved inside the upper orange box for 21 years. Since first covering the mother of all breakouts on [January 27, 2017](#), stocks have followed the bullish script.

## New Highs – New Lows

The chart below shows the number of NYSE advancing issues minus declining issues. The indicator has been making new highs along with the major indexes. There are no yellow flags as of October 9, 2017.





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## 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