



Third Party Research

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Another Narrow Range For McClellan Oscillator

eResearch Corporation is pleased to provide a weekly commentary, authored by Tom McClellan, entitled "The McClellan Chart-In-Focus", which is a free technical analysis article published each week.

In this article, Mr. McClellan reviews the historical performance of gold over its 13 ½-year cycle and gives commentary on gold's current status.

The article is reproduced below, beginning on the next page, or you can use this link to go to the article directly:

http://www.mcoscillator.com/learning_center/weekly_chart/another_narrow_range_for_mcclellan_oscillator/

You can also visit the McClellan Financial Publications Home Page at the link below. This is a subscription service, and there are two publications which can be subscribed for: (1) **The McClellan Market Report**; and (2) **The Daily Edition**.

Here is the link to the Home Page: <http://www.mcoscillator.com/>

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Bob Weir, CFA
Director of Research

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October 5, 2017

The McClellan Chart-In-Focus

by Tom McClellan (bio at end)

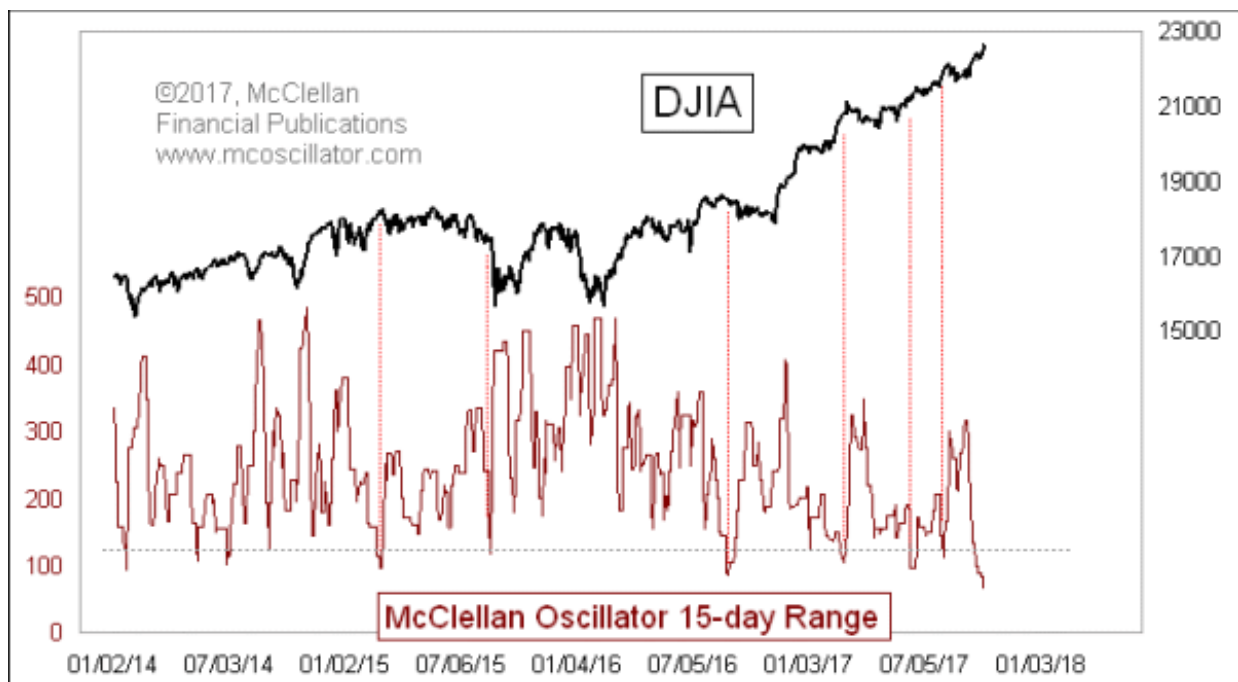
Another Narrow Range For McClellan Oscillator

Last June, I introduced you to the indicator in this week's chart, which examines how much movement the McClellan Oscillator has had over the preceding 15 trading days. My timing was excellent, in that I so precisely picked the one time that a really low reading did not seem to matter at all.

Most of the very low readings for this indicator mark meaningful tops for stock prices. It was just my luck that I called attention to it just at the moment when a wonderful exception appeared.

Now we have another very low reading, the lowest in 16 years to be specific. We have not had a reading this low since 2001. This makes an uncommon statement about how calm and orderly the market is at the moment. Calmness cannot persist, and orderliness tends to yield to chaotic action.

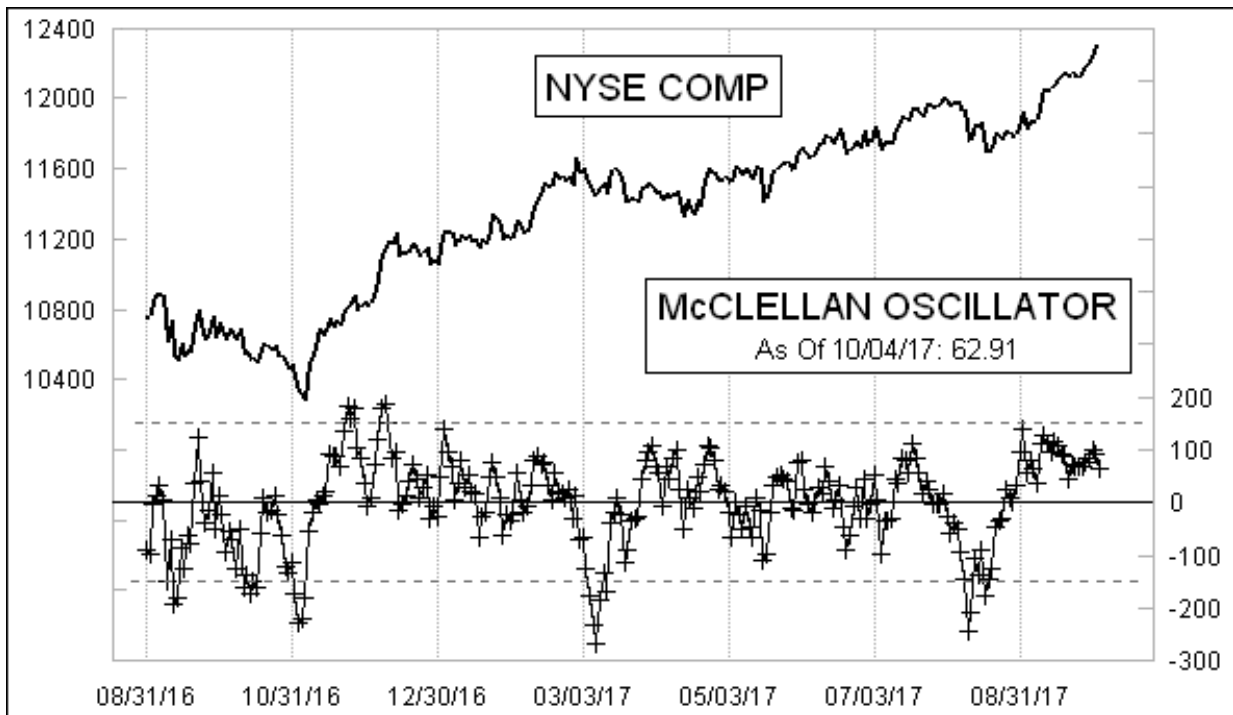
I should further clarify that this is looking at a range over 3 weeks. Years ago, some analysts used to believe that seeing a very minor change in the McClellan Oscillator from one day to the next was a sign that a "big move" was coming. I debunked that here: [The Meaning of Minor McClellan Oscillator Changes](#).



What this 15-day range indicator is showing is the tight range of readings that have been presented over the past 3 weeks.

We can see that more directly in the following chart of the McClellan Oscillator, which is featured every day [on our web site](#).

McClellan Financial Publications



All of the readings since August 24 have been above zero, and all of the readings since August 30 have fallen between +34 and +137. That is a pretty tight range.

A long study of past readings shows that looking back over just the prior 15 trading days makes for a good indicator, showing that the stock market has become excessively calm and quiet, befitting a meaningful top. Now all we need is for the stock market to behave itself this time, and show us a proper top indication.

BW: eResearch has been tracking the McClellan Indicator since June 23rd. We will follow on from this, Tom's report, and present our own findings, which are shown in a different way graphically, in a separate report.

Tom McClellan

Editor, The McClellan Market Report

BW: Information on Tom McClellan and *The McClellan Market Report* and *The Daily Edition* follows on the next page.

ABOUT THE AUTHOR



Tom McClellan

Tom McClellan has done extensive analytical spreadsheet development for the stock and commodities markets, including the synthesizing of the four-year Presidential Cycle Pattern. He has fine-tuned the rules for inter-relationships between financial markets to provide leading indications for important market and economic data.

Tom is a graduate of the U.S. Military Academy at West Point, where he studied aerospace engineering, and he served as an Army helicopter pilot for 11 years. He began his own study of market technical analysis while still in the Army, and discovered ways to expand the use of certain indicators to forecast future market turning points.

Tom views the movements of prices in the financial market through the eyes of an engineer, which allows him to focus on what the data really say rather than interpreting events according to the same "conventional wisdom" used by other analysts.

In 1993, he left the Army to join his father in pursuing a new career doing this type of analysis. Tom and his Father spent the next two years refining their analysis techniques and laying groundwork.

In April 1995 they launched their newsletter, The McClellan Market Report, an 8-page report covering the stock, bond, and gold markets, which is published twice a month. They utilize the unique indicators they have developed to present their view of the market's structure as well as their forecasts for future trend direction and the timing of turning points.

A [Daily Edition](#) was added in February 1998 to give subscribers daily updates on their indicators and also provide market position indications for stocks, bonds, and gold. Their subscribers range from individual investors to professional fund managers. Tom serves as editor of both publications, and runs the newsletter business from its location in Lakewood, WA.

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