eResearch

Analyst Article February 9, 2018

TECHNICAL CHARTING OPINION

eResearch Corporation is pleased to feature a technical opinion by Chris Kimble of Kimble Charting Solutions.

Mr. Kimble states, on his website www.kimblechartingsolutions.com, that his goal for his investment research is to:

… help people to enlarge portfolios regardless of market direction by looking for patterns at extreme points of "exhaustion" with a high probability of reversing, called TBNM: tops, bottoms, no middles. The intent is to simplify the decision-making process.

Mr. Kimble has been in financial services for over 30 years.

His research is intended to simplify investment decisions and increase confidence with charts that are clear as to the pattern at hand and action to take. His strategy is to look for chart patterns at extreme exhaustion points that have a high probability of reversing. These extremes reflect excess fear and greed of global investors and, therefore, they can be capitalized upon.

By providing research showing markets at extremes of long term resistance or support, and including bullish/bearish sentiment readings when available, Mr. Kimble attempts to help investors simplify their decision-making, reduce risk, increase confidence, and improve results.

Today's article begins on the following page, and is entitled:
Dow Momentum Still at 1929, 1987, 2000, & 2007 Levels

You can access his website and subscribe to his service at the following link:
www.kimblechartingsolutions.com

KIMBLE CHARTING SOLUTIONS

Friday, February 9, 2018

Dow Momentum Still at 1929, 1987, 2000, & 2007 Levels

(To enlarge the chart below, place cursor on chart, and <Ctrl-Click>)

The chart below looks at the Dow Jones Industrial average over the past 100 years. The long-term of the Dow remains up. The action of the past couple of weeks has NOT changed that fact.

We find this interesting. The Dow Industrials finally moved into correction territory after one of its longest-ever stretches without one. Even more interesting, this ranks as the 4th-fastest correction ever from an all-time high.

Has this decline and loss of trillions of dollars caused the Dow's momentum to become oversold? The chart looks at the Dow over the past 100 years on a monthly basis with momentum applied.

CLICK ON CHART TO ENLARGE ABOVE

The Dow has spent the majority of the past 70 years inside of rising channel (A). Long-term buy & holders/passive investors most often do best when buying near long-term support when momentum is oversold. Combinations like this in the past 40 years took place in the early 1980s, 2003, and 2009.

Historically buy & hold/passive investing has seen sub-par returns going forward when the Dow was near the top of the rising channel as momentum was hitting lofty levels.

Momentum remains near 1929, 1987, 2000, & 2007 levels at this time. From a long-term perspective, it would appear that it is important that short-term support holds at (2) as the top of the 70-year channel remains just overhead.

If you would like to stay informed weekly about patterns that can help with your buy & hold/passive investments, we would be honored if you were a **Global Trends Report** or **Premium** Member.

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*e*Research Corporation

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Bob Weir, CFA
Director of Research