

## 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](http://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 Jones: Peaking After "Mega-Phone" Pattern Break-Out?**

You can access his website and subscribe to his service at the following link:

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

**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.

Friday, February 9, 2018

## Dow Jones: Peaking After “Mega-Phone” Pattern Break-Out?

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

In June of 2016, the Power of the Pattern shared the chart below, reflecting that the Dow was using old mega phone resistance as new support.

The purpose of the blog post was to show this pattern and relay it was sending a long-term bullish message to stocks. The chart is below, see original [POST HERE](#)

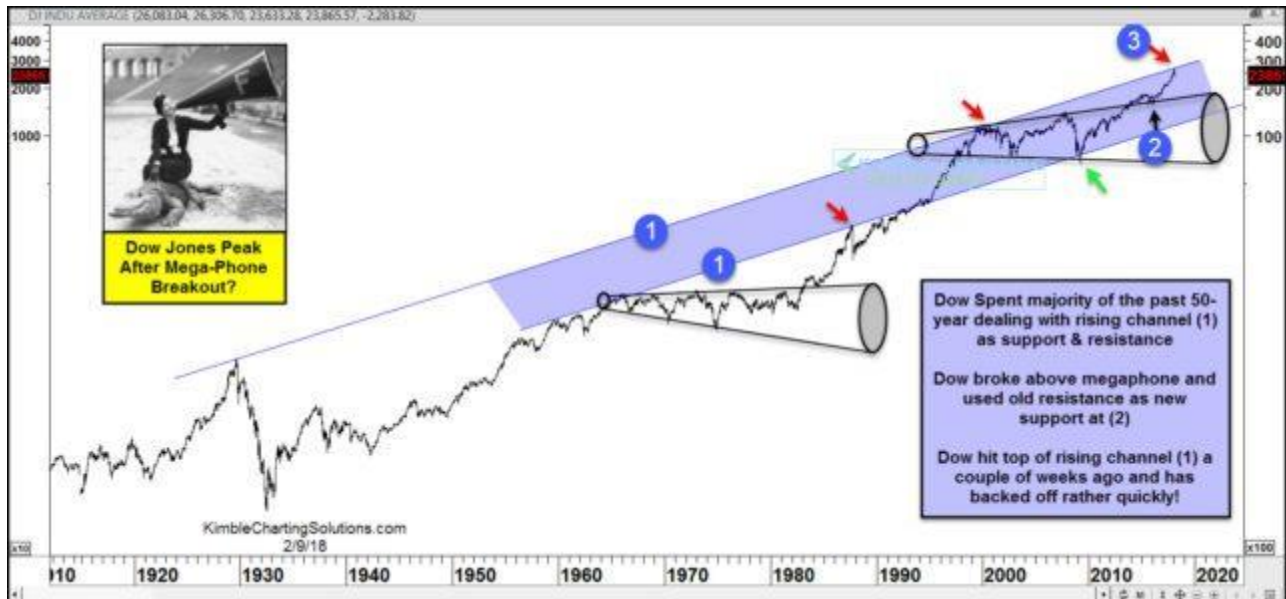


**CLICK ON CHART TO ENLARGE ABOVE**

The chart was produced when the Dow was trading at 17,900. Over the next 18 months, the Dow rose nearly 50%! A nice push off of the top of the megaphone support line!

(continued)

The chart below looks at an update on the Dow Megaphone pattern which looks at the Dow over the past 100 years:



**CLICK ON CHART TO ENLARGE ABOVE**

The Dow rose nearly 50% following the support test at (2) back in 2016. The rally off the top of the megaphone pattern now has the Dow testing the top of a multi-decade rising support channel at (3).

What long-term buy & hold/passive investors we feel should be aware of is that the Dow hit the top of this rising channel back in 2000. Buy & holders/passive investors should also be aware that this multi-decade rising channel and the bottom of the megaphone became support back in 2009.

No doubt the trend in the Dow remains up and the 10% decline in the Dow in the last a couple of weeks has not broken the trend.

The Power of the Pattern is of the opinion that this is not your typical test of resistance at (3). This is a price point where long-term bulls need to pay extra attention should selling pressure ramp up!



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