

## Deja Voodoo, 1994 Edition

**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 compares two presidential scenarios, with ominous overtones.

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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**.

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August 30, 2018

## The McClellan Chart-In-Focus

by Tom McClellan (bio at end)

### Deja Voodoo, 1994 Edition

In the election of 1992, there was an insurgent candidate, who did not win a majority of the popular vote, but who took the White House and set about reorganizing the government in a manner more to his liking. The first two years of his term in office were marked by numerous scandals, and by a stock market which saw a scary dip in the second year which eventually resolved itself into a strong uptrend during the third year of his presidential term. At that time, the Federal Reserve was commencing a program of rate hikes, which had market participants worried.

Does this sound familiar?

This week's chart compares the SP500 in the current time frame to what happened during the first two years of President Clinton's first term.



The politics of President Clinton and President Trump are assuredly different, or at least that is true as of today. NAFTA got settled in January 1994, and now its renegotiation is not taking place at exactly the right time in the rhyme and meter of history.

But yet what is important for our purposes here is that the stock market's response in each period is greatly similar.

In August 1994, the SP500 did not make a higher high than its February 2, 1994 price high, but the resemblance of the price pattern to the current pattern is unmistakable. There was an initial down move in February 1994, followed by a mini-crash to a bottom on April 4, 1994. In the current rerun, the final bottom was on April 2, 2018. Close enough for government work.

# McClellan Financial Publications

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August 1994 was a strong month for the SP500, but it was not strong enough to produce a higher closing high than February 1994, but it was still a robust swoop upward that pulled in a lot of investors.

August 2018 has been a strong month for the SP500, seeing it eke out a slightly higher closing high for that index, but not for the DJIA, nor the NYSE Composite. We are now at the equivalent point to the August 30, 1994 peak, which led to a 3-wave decline to a December 1994 low.

Nothing says that the stock market in 2018 has to continue following this pattern. But, then, nothing had said it would do such a good job following that pattern up until now. If the pattern resemblance continues, then we are in for a rough and choppy 3 months, and then a really robust rally into 2019. If...

Tom McClellan, Editor,

The McClellan Market Report

**BW: Information on Tom McClellan and *The McClellan Market Report* and *The Daily Edition* is provided on the following 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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