



MARKET OUTLOOK

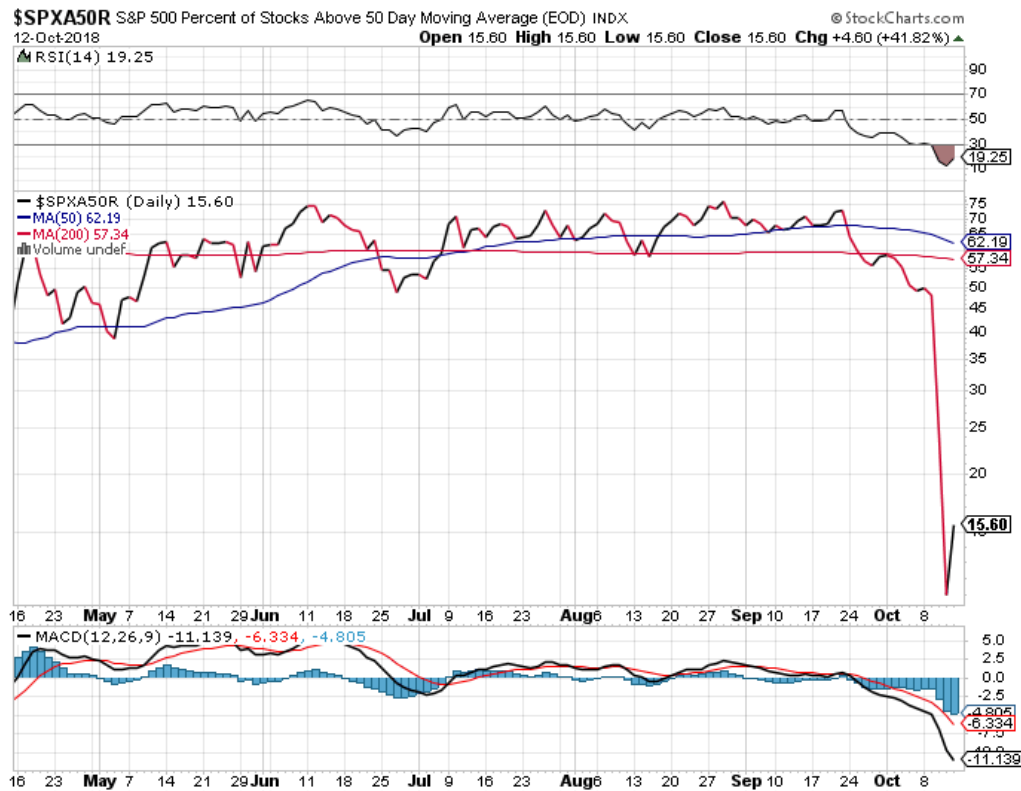
eResearch Corporation is pleased to provide a market commentary, courtesy of: **TimingTheMarket**, a division of the **Tech Talk Financial Network**. eResearch also posts, daily, the regular technical opinions provided by affiliate: **Equity Clock**.

Excerpts from the October 15 **Tech Talk** market analysis is provided below.

MARKET COMMENT and STRATEGY

U.S equity markets took scary moves last week.

However, weakness has returned U.S. equities to intermediate over-sold levels. As shown in the chart below, the percent of S&P 500 stocks trading above their 50-day moving average dropped to 11%, which is the lowest level since January 2016, and closed the week at 15.60%. Historically, after a drop to this level, the subsequent recovery has led to significant stock market gains over the next two months.

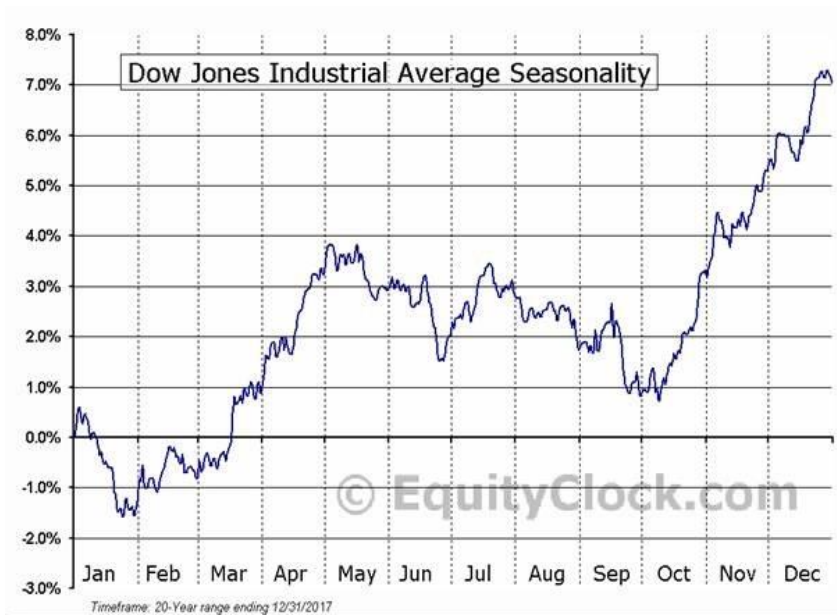
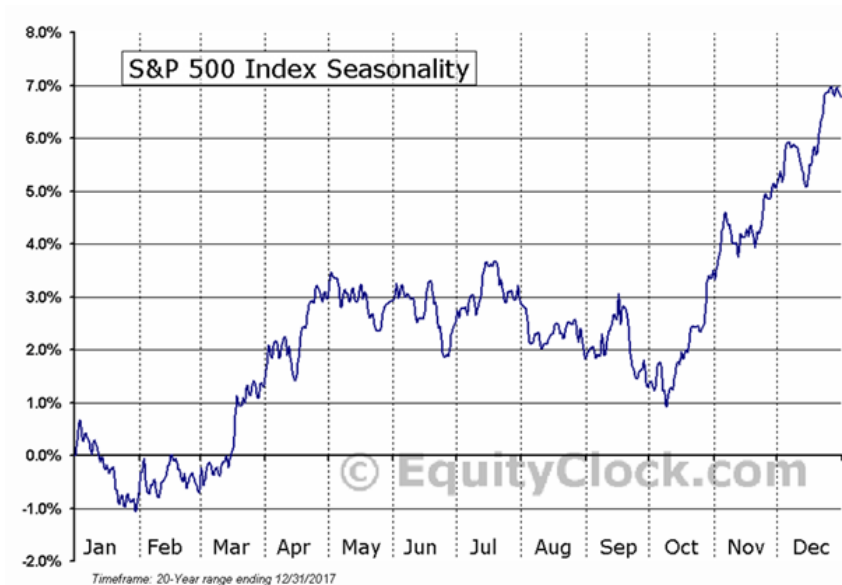


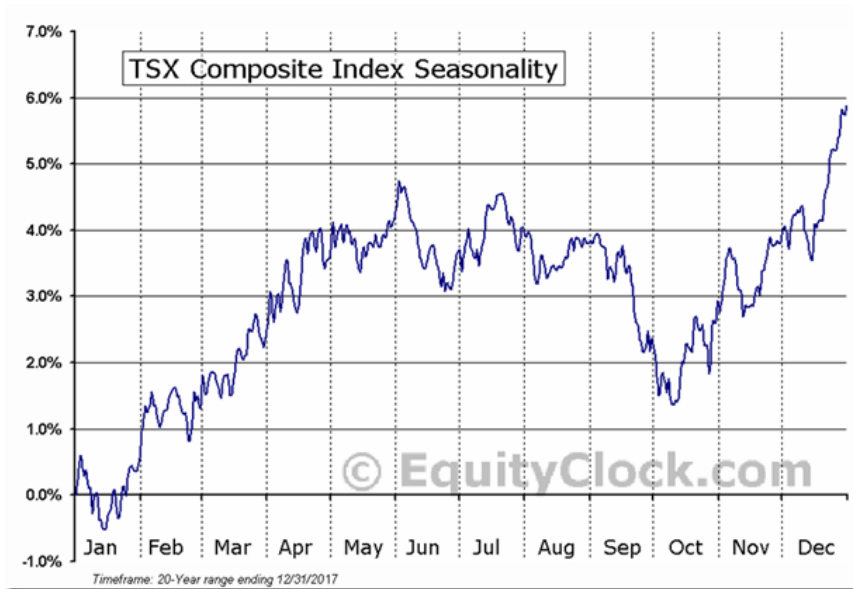


SEASONALITY

Seasonal influences on U.S. equity indices normally turn positive at this time of year. Investors should be lining up their choices of stocks to buy when indices show technical signs of a short-term bottom. The Sectors that have a history of moving higher at this time of year include Technology, Materials, Consumer Discretionary, and Industrials.

Here is a look at Seasonality charts for the major indexes:





STRATEGY

The preferred strategy for investors is to prepare to invest in North American equity markets and economic sensitive sectors for a seasonal move that could last to the second quarter of 2019.

Watch for short-term technical indicators for equity markets to show signs of recovery.

Currently, short term indicators are trending down and have yet to show sufficient signs of bottoming, despite the gains on Friday. Be patient. Now is the time to line up potential equity purchase candidates before “pulling the trigger” with most of your purchasing power.

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