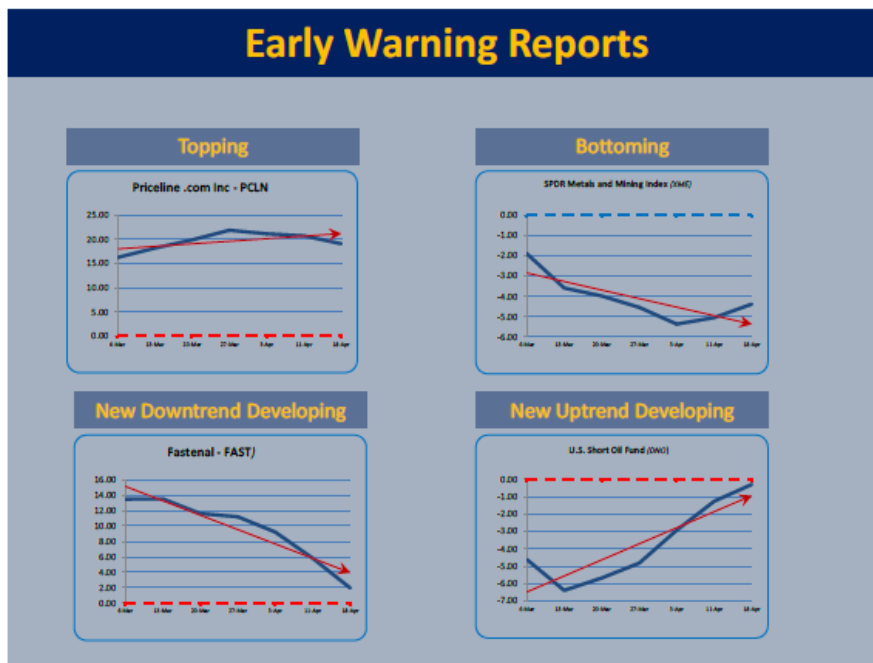


## Quacera Major Index Early Warning Report, September 9, 2016

With the violence in the markets on Friday, we wanted to pass along our Early Warning Report for the latest seven trading weeks. This process is designed to give us a heads up when trends begin to change and coincides with our longer term trading signals. As subscribers know, we believe that part of a successful investment program is being able to avoid as much as possible, any protracted downturn such as the 2008-2009 market collapse. Getting out early (or getting short) provides much more dry powder for the time when markets return to an upward direction. Below is a basic look at the Early Warning Charts we derive from the most recent market activity.

### How It's Used & How It Helps

 **7 week momentum**
 **momentum trend-line**

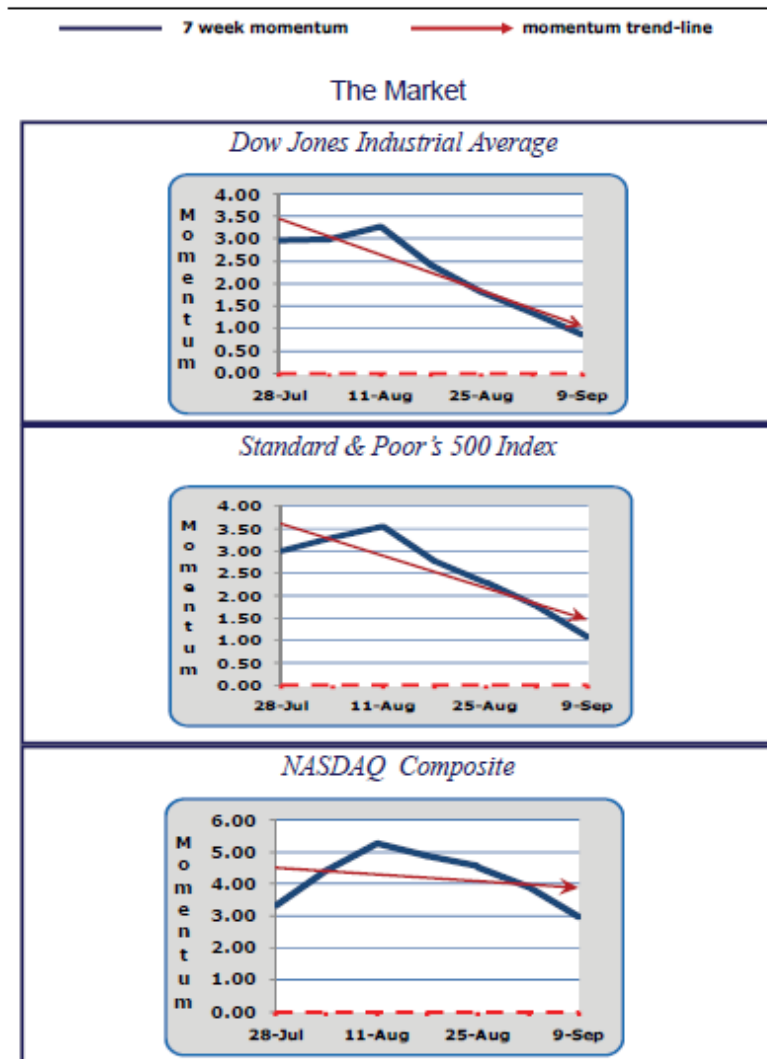


As we see above the Red Arrow represents the Momentum Trend Line, a moving average of the last 7 trading weeks. The Blue Seven Week Momentum line tells us how each week's trading is following the Red Momentum Trend Arrow. When the blue line crosses the Red Arrow it indicates a possible change in momentum and if that change continues, it may lead to a reversal of the current trading signal from positive to negative or vice versa. In addition to highlighting a potential trend reversal it is also a quick indicator we use when the markets become choppy such as we recently experienced from early 2015 to early July of this year. Part of our process is to avoid getting caught when the market is shifting back & forth quickly within a narrow range. We used this part of our system to dodge the whipsaw of that period mentioned above and in so doing we made money, particularly as the intensity of volatility grew through the early part of 2016. We recommend to our readers that they consider adding this report to whatever system they currently employ as insurance against getting in or out too often or too late. Using this as part of any investing discipline helps eliminate many of the traps investors fall into. Finally, the dotted line within each chart represents Zero Momentum - that spot where the trend change will trigger a new positive or negative signal. This usually occurs earlier than most of the standard technical analysis patterns currently in use and if followed, can improve any investment plan. For a complementary week of the Full Early Warning Report contact [johnk@quacera.com](mailto:johnk@quacera.com) or [glenn@quacera.com](mailto:glenn@quacera.com)

## Early Warnings for the Week Ending September 9, 2016

As we see from this week's Early Warning Report, Friday was not the start of what may become a major sell off but a continuation of a slowdown in the positive trend that began with a peak the week of August 11 and crossed below its Trend Line last week. It's still too early to say if this is merely profit taking in the face of the looming Fed meeting or a recognition that the worldwide QE process is running out of ammo. We will leave that to brighter minds than ours and simply state that it bears watching for now and that's why we call it an Early Warning System. If we cross the Zero (dotted) line will come to a decision point.

### Quacera Daily ETF Momentum Summary



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