

## Weekly Notes for December 30, 2016

*"Be at war with your vices, at peace with your neighbors, and let every New Year find you a better man." Benjamin Franklin*

### Market Week

Holiday markets are slow and we didn't expect much to be accomplished beyond the year end asset shifting before the 2017 sessions begin. The news was led by the ECB discovering that the €5 Billion it thought was needed to fix Monte Paschi is actually € 8.8 Billion and the € 20 Billion Italy's government will borrow to bail it out will need to be much larger. China was also a worry but not because of its economy but due to Mr. Xi's attempt to buck the Party leaders and adopt a "Putin Model" of governance that will allow him to stay on past the end of his 2022 term. Our markets were soft on low volume. In the world of PC twaddle, the U of Wisconsin announced an elective course for next semester entitled "The Problem of Whiteness" which will, it says, explore the **"problems caused by white people"**. This is, we expect, opposed to the non problems foisted on humanity by the non-white world? The course description says that **"Critical Whiteness Studies aims to understand how whiteness is socially constructed and experienced in order to help dismantle white supremacy."** Just when we thought we'd seen it all. The gun controlled City of Chicago exhibited its Christmas spirit by celebrating 61 shootings leading to 11 gun deaths in what Chicago Police Superintendent Eddie Johnson termed **"a reprehensible amount of shootings and murders..."** All of the shootings were carried out by Chicago gangs according to the police; none of the guns were legally obtained and all were in contravention of one of the toughest gun laws in the U.S.

Wednesday added to the selling as The NAR reported pending house sales fell instead of the big increase experts had predicted. The report blamed it all on **"the brisk upswing in mortgage rates and not enough inventory (which) dispirited some would-be buyers."** The Pending Home Sales Index (PHSI) is based on contracts to buy existing houses and fell 2.5% to its lowest level since January and 0.4% November 2014. Stocks finished lower again, gold was up.

Thursday began on a strong note but the buyers gave way to selling and we finished the day off. The news was mixed with unemployment claims lower but the trade deficit rose to \$61.9 Billion for the month. The outgoing President decided to try throwing another monkey wrench into the Thug's bicycle spokes by kicking out about 35 of Russian emissaries. This move is in retaliation for alleged hacking by the Russian spy network. Nothing was announced about any concrete steps to stop the spying. Adding to the laughter, Aleksander Bortnikov, chief of the Russian FSB - which succeeded the KGB - who led the hack of the DNC according to the latest FBI report but was left off the sanctions list. Friday stocks began lower once more, tried to rally but sellers prevailed to drive prices down on the last trading of the year.

In another instance of imperious government intrusion on individual rights, a City Councilman in LA proposed banning people without children from using City parks. Ostensibly this lunacy was designed to keep drug dealers from selling drugs in the parks but aside from the ease with which this stupid law could be avoided by the druggies, it also bans non-criminal citizens from using facilities paid for by their tax money. So no picnics or lying in the sun, no running or other exercises for you folks who are single or otherwise childless.

Despite the selling of the final week 2016 was the best year from a performance standpoint since 2013 with the S&P ending up 9.48%. QPM Radar™ also finished the year strong, closing the year with 75.96% of ETFs in positive trends.

### Year End Reports

The year ended with indexes and stocks showing strength but our Composite list of stocks were less robust. Still the signal accuracy remains very high and the only worry is that the market enthusiasm is a bit ahead of reality. As always, we advise, follow the cash and remember **"If you protect the downside, the upside will take care of itself."** Donald J. Trump

## Composite Trend Report

December 30, 2016

Percent Positive 59.03%

### Positive

No. Positive 327  
 % Pos/Pos 85.58%  
 Average Pos Signal 10.82%  
 Best Pos Signal 229.64%  
 Worst Pos Signal -36.43%

Correct (Excludes New Signals)

Signal Ranges

### Negative

No. Negative 227  
 % Neg/Neg 91.48%  
 Average Neg Signal -9.76%  
 Worst Neg Signal 15.65%  
 Best Neg Signal -89.53%

Please read the statement at the end of the report

Company	Symbol	Current Price	QPM Score	Pos/Neg	Open Date	Start Price
Alcoa Incorporated	AA	28.08	C3-1	Negative	30-Dec-16	28.08
Alexion Pharma	ALXN	122.35	B1-3	Positive	30-Dec-16	122.35
Duke Energy	DUK	77.62	B1-3	Positive	30-Dec-16	77.62
Consolidated Edison	ED	73.68	B1-3	Positive	30-Dec-16	73.68
MSCI Australia	EWA	20.23	D1-1	Negative	30-Dec-16	20.23
MSCI Japan	EWJ	48.86	D1-1	Negative	30-Dec-16	48.86
iShare Cohen & Steers Realty Majors	ICF	99.64	B1-3	Positive	30-Dec-16	99.64
iShare Dow Jones U.S. Consumer Non Cyclical	IYK	110.72	B1-3	Positive	30-Dec-16	110.72
iShare Dow Jones U.S. Real Estate	IYR	76.94	B1-3	Positive	30-Dec-16	76.94
National Health Investors	NHI	74.17	B1-3	Positive	30-Dec-16	74.17
Plum Creek Timber Co.	PCL	36.54	B1-3	Positive	30-Dec-16	36.54
Portola Pharma	PTLA	22.44	A3-2	Positive	30-Dec-16	22.44
streetTRACKS Wilshire REIT	RWR	93.35	B1-3	Positive	30-Dec-16	93.35
Skyworkds Solutions	SWKS	74.66	D1-1	Negative	30-Dec-16	74.66
Vanguard Consumer Staples	VDC	133.99	B1-3	Positive	30-Dec-16	133.99
Vanguard REIT	VNQ	82.53	B1-3	Positive	30-Dec-16	82.53
SPDR Consumer Staples	XLP	51.71	B1-3	Positive	30-Dec-16	51.71
Wisdom Tree Brazilian Real Fund	BZF	17.04	B1-3	Positive	29-Dec-16	17.19
J.C. Penney's	JCP	8.31	D2-1	Negative	29-Dec-16	8.42
iPath Nickel ETN	JJN	12.10	D2-1	Negative	29-Dec-16	12.12
Ligand Pharma	LGND	101.61	D1-1	Negative	29-Dec-16	101.59
Lumber Liquidators	LL	15.74	D2-1	Negative	29-Dec-16	16.03
Macy's	M	35.81	C3-1	Negative	29-Dec-16	36.29
Markel	MKL	904.50	B1-3	Positive	29-Dec-16	903.58
Oracle	ORCL	38.45	D1-1	Negative	29-Dec-16	38.69
Pfizer Inc	PFE	32.48	D1-1	Negative	29-Dec-16	32.49
PowerShares Software	PSJ	47.18	D1-1	Negative	29-Dec-16	47.50
Wal-Mart Stores Inc	WMT	69.12	D1-1	Negative	29-Dec-16	69.26
Utilities SPDR	XLU	48.57	B1-3	Positive	29-Dec-16	48.84
YELP	YELP	38.13	C3-1	Negative	29-Dec-16	38.68
BlackBerry	BBRY	6.89	D1-1	Negative	28-Dec-16	7.00
3D Systems	DDD	13.29	D1-1	Negative	28-Dec-16	13.52
Ebay	EBAY	29.69	D1-1	Negative	28-Dec-16	30.01
Enbridge	ENB	42.12	D1-1	Negative	28-Dec-16	42.05
MSCI Singapore	EWS	19.93	D2-1	Negative	28-Dec-16	20.08
iPath Grains Total Return ETN	JJG	28.14	D1-1	Negative	28-Dec-16	28.08
Annaly Capital Mgmt	NLY	9.97	D1-1	Negative	28-Dec-16	9.96
Vanguard Natural Resources 2	VNRAP	3.01	D3-2	Negative	28-Dec-16	3.20
Europe 100 ADR	ADRU	19.21	B1-3	Positive	27-Dec-16	19.12
Halozyne Therapeutics	HALO	9.88	D1-1	Negative	27-Dec-16	10.31
ALPS U.S. Equity Hi Vol Put Writer	HVPW	19.41	D1-1	Negative	27-Dec-16	19.48
Kinder Morgan	KMI	20.71	C3-1	Negative	27-Dec-16	21.14
Agilent Tech	A	45.56	B1-3	Positive	27-Dec-16	46.51
Morgan Stanley	MS	25.37	D2-1	Negative	27-Dec-16	25.62

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