

**ARMCHAIR INVESTOR^(sm) MORNING MARKET
 NEWSLETTER**
A TREND-FOLLOWING STRATEGY

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**Section 1 – RIDE THE MARKET IN THE DIRECTION
 IT'S GOING**

CURRENT MARKET DIRECTION: UPTREND

THURSDAY'S MARKET:

The longest run of days consistent with an Uptrend I can remember (as of Wednesday) was interrupted with a Major distribution day on Thursday.

DAILY MARKET ACTION						
2/7/19	Index Close	Index % Change	Volume % Change	Volume vs 50-day Avg.	Accumulation or Distribution Day?	Recent Trend Gain/Loss from 1/4/2018 UPTREND SIGNAL
Nasdaq	7288.35	-1.2%	+7.1%	-4.7%	Major Distribution	+7.7%
S&P500	2,706.05	-0.9%	NYSE Volume		Major Distribution	+6.8%
DJIA	25,169.05	-0.9%	+1.5%	-1.2%	Major Distribution	+7.3%

A single distribution day doesn't kill an Uptrend. Was this significant signal? Perhaps. Both major indexes found resistance at their 200-day moving averages – e.g. both rose close to their 200-day moving average lines and were rebuffed – failed to cross that line that both have lived below for about a month. BUT WAIT.....

Stopping underneath a major moving average line like the 200-day m.a. after a living below it for a month is not out of character with any market – one that dives back below OR one that continues to rise. My bet is still on the rise – look at how strong the recent market has been. (See the past 20-day table in yesterday's newsletter.)

Uptrend ETFs	Armchair Investor Trend-following Returns for Current Uptrend			
2/7/19	Opening Price on 1/7/2019	Today's Closing Price	ETF % Change Today	Gain or Loss Since 1/4/19 Uptrend Signal
QQQ (1x)	156.54	168.23	-1.3%	+7.7%
QLD (2x)	68.98	79.09	-2.7%	+14.7%
TQQQ (3x)	38.47	46.99	-4.1%	+22.1%

The ETF QQQ is designed to move WITH the largest 100 stocks on the Nasdaq. QLD is designed to double the price move of the QQQ. The TQQQ is a more volatile Visit Proshares.com for more information.

I suspect Friday may also sell off – to protect portfolios over the weekend. But unless a drop on Friday is significant (price and volume) and widespread, I will hold my market-direction ETF (above list.)

NOTE: You can always find **past newsletters and their data tables** (including the last 20-days) under the ARCHIVE tab on the ArmchairInvestor.com site.

Here is the most important stock market insider secret you can use to improve your returns:

The SINGLE BIGGEST PREDICTOR of INVESTING SUCCESS is TRADING WITH THE MARKET TREND!

The purpose of this newsletter is to equip you with THE MARKET TREND so you can trade with the trend and earn Well-Above Average Returns. This system is based on:

- Being IN the market when the market is rising and
- Being OUT (or short) when the market is falling.

It sounds simple? It is! IF you learn to use the market trend rules shown in this newsletter. HOW CAN YOU CAPTURE THOSE GREAT GAINS? It's as easy as 1- 2- 3!

STEP 1: In an Uptrend, buy a Nasdaq 100 stock listed above.

Find the market direction diagnosis every night in this newsletter. At the Uptrend signal, buy the QQQ (or one of the multiple funds) the next morning. When you receive your confirmation of the purchase price, place an 8% STOP LOSS order to protect your portfolio from a sudden market reversal (rare). Your broker can help you set up this order.

TODAY'S ACTION: Hold your Uptrend ETF position

STEP 2: Watch this newsletter nightly as the Uptrend extends.

Your ETF investment has increased during the month since the market went back into Uptrend. There will be flat and down days during this journey, but expect the Uptrend to continue until a concentration of distribution days shows the Uptrend is slowing down and may be ready to reverse lower. If you invest in individual stocks – **GOOD HUNTING!**

We will alert you when the Uptrend is “Under Pressure” and advise the next step for your consideration.

STEP 3: When the market diagnosis is no longer in Uptrend, consider selling your Uptrend position (QQQ, QLD or TQQQ) and going to cash. After exiting the Uptrend ETF, wait in cash until the next Uptrend signal.

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Wishing you "Many Happy Returns,"
Charlotte Hudgin, 214-995-6702, Editor, the Armchair Investor

DISCLAIMER, “Buyer Beware” WARNING:

This newsletter shares the ideas I use in my investing.
It is not investing advice but should be taken as education only.
Your investment decisions are your responsibility as are the results.
If you are not comfortable with or do not understand a strategy completely,
I recommend that you paper-trade until you are successful and can sleep well at night.

Questions may be submitted to: Editor@ArmchairInvestor.com

Some of your questions may be used in future newsletters.