

5/16/2018 Uptrend day 27. Nasdaq UP 5% in 5 weeks. But where is the volume?  
 Wednesday

Volume 17 #94

**ARMCHAIR INVESTOR<sup>(sm)</sup> MORNING  
 MARKET NEWSLETTER**  
 A TREND-FOLLOWING STRATEGY



[To open the FULL ARMCHAIR INVESTOR NEWSLETTER, click here](#)  
 Then click on [CURRENT NEWSLETTER](#).

**SELLING FOR MAXIMUM PROFIT WORKSHOP** on Saturday 5/19 1 – 5 p.m. at Courtyard Fort Worth on University Drive (just down from Ol' South Pancake House). Pre-registration required \$195 including a 90+ page workbook with full color charts.

Join us **Thursday night** for the **Investor's Business Daily Meetup** at the Ol' South Pancake House, 1509 S. University near TCU.

Register here: [Fort Worth IBD Meetup](#)

**First time visitors FREE!** 25 page handout of articles and stocks in-cluded.

**The market is in UPTREND**

**WEDNESDAY:** David Saito-Chung made an interesting observation Wednesday in Investor's Business Daily's Big Picture. He said 40 of the 197 Industrial Groups (in a wide variety of industries) were UP today 1.6% or more. I like that broad show of strength. IBD's research has shown that it is hard (but not impossible) for an individual stock to make a big run without the co-incidence of the rise of its industry group and sector.

If you are a market direction trend trader, this wide support of the Uptrend should also encourage you. The broader the show of strength, the more likely the uptrend is to continue.

**DAILY MARKET ACTION**

| 5/16/18 | Index Close | Index % Change | Volume % Change | Volume vs 50-day Avg. | Accumulation or Distribution Day? | Recent Trend Gain/Loss from 4/10/2018 UPTREND SIGNAL |
|---------|-------------|----------------|-----------------|-----------------------|-----------------------------------|--|
| Nasdaq  | 7,398.30    | +0.6%          | -0.9%           | -3.3%                 | Neither                           | +4.9%  |
| S&P500  | 2,722.46    | +0.4%          | NYSE Volume     |                       | Neither                           | +3.0%  |
| NYSE    | 12,743.79   | +0.4%          | -2.6%           | -7.1%                 | Neither                           | +1.9%  |
| DJIA    | 24,768.93   | +0.4%          |                 |                       | Neither                           | +2.0%  |

**Note: Cheniere Energy (LGN) rose a pleasant 0.5% today** on higher volume for a minor accumulation day. I have been following LGN for over a week **in the last section of the FULL newsletter** on individual stocks. Two Fridays ago, LGN made a bold breakout of a cup base and has **gained 4.5%. Not a bad 6 day return!**

**NASDAQ NEAR ALL-TIME HIGH:** The Nasdaq is less than 2% below its all-time high on March 13 of this year. The laggard S&P500 has more work to do to top its prior high (a 5% rise required). **Watch for market action around these prior highs. DOES THE MARKET HAVE THE OPTIMISM TO GO TO NEW HIGHS?**

**LOTS OF GREEN ON “MARKET FACTORS, COUNTS AND RATINGS” TABLE:** Yeah! See this table in the FULL newsletter (link at top of this newsletter).

The Nasdaq and S&P500 recently made their second “higher highs” and “higher lows.” This is how a stock or market climbs out of a dip!

**Download the full Armchair Investor newsletter** to see the RISING support lines I have drawn in the daily and weekly charts of the Nasdaq and S&P500. Impressive. Now we need continued buying to push the Accumulation/ Distribution ratings back up to the B or A level to show broadening buying.

[To open the FULL ARMCHAIR INVESTOR NEWSLETTER, click here](#)

Then click on [CURRENT NEWSLETTER](#).

**The Market is in UPTREND**

**And..... We still need Volume!**

**Markets usually take off vigorously at the beginning of a new Uptrend in price AND volume but this one has NOT, yet. Without volume there is an underlying weakness to the market.**

**Some individual stocks have caught the Uptrend fever. They have price AND volume. I am buying full positions (through pyramiding in), of top stocks with strong breakouts.**

**ARMCHAIR INVESTOR TREND-FOLLOWING ACTION:** With the market diagnosis as “Uptrend”, you have one Trend-following action:

- Hold an Uptrend ETF such as the QQQ, QLD and TQQQ.

Here are the Armchair Investor Strategy returns since the start of the current Uptrend just one month ago. **NICE 1-MONTH RETURNS.**

| Uptrend ETFs | Armchair Investor Trend-following Returns for Current Uptrend |               |                    |   |
|--------------|---|---------------|--------------------|---|
| 5/16/18      | Opening Price on 4/12/2018                                    | Today's Price | ETF % Change Today | GAIN OR LOSS SINCE 4/10/2018 UPTREND SIGNAL |
| QQQ (1x)     | 160.2   | 168.96        | +0.6%              | +5.5%                                       |
| QLD (2x)     | 76.02   | 84.07         | +1.3%              | +10.6%                                      |
| TQQQ (3x)    | 142.6   | 164.76        | +1.7%              | +15.5%                                      |

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.

**REMEMBER:**  
**THE MARKET CONTINUES IN THE DIRECTION IT'S GOING UNTIL IT DOESN'T.**

**THE ARMCHAIR INVESTOR strategy** is SIMPLE and FAST to execute:

- Be in the market when it is going up.
- Be out or (or short) the market when it is going down.
- Protect yourself with an 8% stop.

>>>Download the FULL ARMCHAIR INVESTOR NEWSLETTER at:

[www.ArmchairInvestor.com](http://www.ArmchairInvestor.com)

Click on the [Current Newsletter](#) tab

No advice is ever given in this newsletter. It is provided for your education only.

© Armchair Investor<sup>(SM)</sup> 2018, Charlotte Hudgin 214-995-6702 All rights Reserved

>>>Are you interested in learning more about this style of investing for individual stocks?

>>>>A survey was sent to all readers last Wednesday night! If you did not receive it and wish to learn more about participating in this online, weekly training, text Charlotte at 214-995-6702.

Survey Results: the vote is in! The first weekly online Armchair Investor classes will be on Sunday afternoons. Stay tuned!

## MARKET ACTION 2018 YEAR-TO-DATE

| 5/16/18   | 2017 Closing Price | Current Price | Index % Change Year-to-Date |
|-----------|--------------------|---------------|-----------------------------|
| Nasdaq    | 6903.39            | 7398.30       | +7.2%                       |
| S&P 500   | 2673.61            | 2722.46       | +1.8%                       |
| NYSE Comp | 12,808.84          | 12,743.79     | -0.5%                       |
| DJIA      | 24,719.22          | 24,768.93     | +0.2%                       |

This yearly table is included for your reference. These returns have little relevance to trend-following returns since trend-followers do not hold during "Downtrends" and may lighten their holdings during "Uptrends under Pressure."

## PROGRESS IN ACCUMULATION/DISTRIBUTION RATINGS

|             |      | A  | B   | C   | D   | E   |
|-------------|------|----|-----|-----|-----|-----|
| 4 weeks ago | 4/18 | 9% | 37% | 23% | 21% | 8%  |
| 3 weeks ago | 4/25 | 8% | 33% | 25% | 24% | 10% |
| 2 weeks ago | 5/2  | 8% | 32% | 26% | 24% | 10% |
| 1 week ago  | 5/9  | 7% | 34% | 25% | 23% | 10% |
| Today       | 5/16 | 9% | 35% | 25% | 21% | 10% |

Stocks with an A or B rating are under accumulation (being bought.)

Stocks with a D or E rating are under distribution (being sold).

"2 weeks ago" is 10 market days ago; "4 weeks ago" is 20. The ratings which are higher than two weeks prior are colored light GREEN. Lower ratings are PINK.

## LAST WEEK'S MARKET ACTION

| 5/12/18 | Weekly Index % Change | Weekly Volume % Change | Volume Above/ Below 10-week Avg | Type of Week       |
|---------|-----------------------|------------------------|---------------------------------|--------------------|
| Nasdaq  | +2.7%                 | +0.9%                  | -1.0%                           | Major Accumulation |
| S&P 500 | +2.4%                 | S&P 500 Volume         |                                 | Major Accumulation |
| NYSE    | +2.1%                 | +5.0%                  | +7.0%                           | Major Accumulation |
| DJIA    | +2.3%                 |                        |                                 | Major Accumulation |

The "TYPES OF WEEK" are:

**ACCUMULATION WEEK** PRICE RISES 0.2% or more and VOLUME RISES

**DISTRIBUTION WEEK** PRICE FALLS 0.2% or more and VOLUME RISES

Another type of DISTRIBUTION(\*): WEEK PRICE FALLS 0.2% or more & VOLUME is 15% or more above average even without an increase in volume.

The NYSE volume is used for the S&P500 and NYSE Composite.

## HOW CLOSE ARE THE INDEXES TO ALL-TIME HIGHS?

| 5/16/2018                                     | Nasdaq    | S&P500    | NYSE      | DJIA      |
|---|-----------|-----------|-----------|-----------|
| <b>Date of Index All-time High</b>            | 3/13/2018 | 1/26/2018 | 1/26/2018 | 1/26/2018 |
| <b>All-time High</b>                          | 7537.27   | 2872.87   | 13637.02  | 26616.71  |
| <b>Current Price</b>                          | 7398.30   | 2722.46   | 12743.79  | 24768.93  |
| <b>Below (-) or Above (+) Recent High (%)</b> | -1.8%     | -5.2%     | -6.6%     | -6.9%     |
| <b>Below (-) or Above (+) Recent High (#)</b> | -138.97   | -150.41   | -893.23   | -1847.78  |

| <b>MARKET FACTORS, COUNTS &amp; RATINGS</b>   |  | 5/16/2018                |                          |              |
|---|--|--------------------------|--------------------------|--------------|
| <b>Type of DAY for <u>Nasdaq</u></b><br>Accumulation, Distribution or Neither   |  | <b>Neither</b>           |                          |              |
| <b>Market Direction</b><br>Uptrend, Under Pressure, Downtrend, or Attempted Uptrend   |  | <b>UPTREND</b>           |                          |              |
| <b>All Nasdaq Accumulation &amp; Distribution Days</b><br>Nasdaq 20-day count   |  | <b>Accumulation Days</b> | <b>Distribution Days</b> |              |
|   |  | 2                        | 4                        |              |
| <b>Count of Up Days and Down Days</b><br>Nasdaq last 10-days price movement only  |  | <b>Up Days</b>           | <b>Down Days</b>         |              |
|   |  | 5                        | 1                        |              |
| Days that do not move at least 0.2% are not included in the Up/Down count which does not, therefore, add up to 10 days.   |  |                          |                          |              |
| <b>Leaders Up/Down with High Volume</b><br>Nasdaq 10-day ratio  |  | <b>2.0</b>               |                          |              |
| This indicator looks at leading stocks (high RS) and is, thus, biased to the upside. Uptrend indicator: 1.5 or higher. Neutral: 1.0 to 1.49. Downtrend: less than 1.0   |  |                          |                          |              |
| <b>Market Accumulation/Distribution Ratings</b><br>"A": heavy accumulation, "B": moderate accumulation, "C": neutral, "D": moderate distribution, "E": heavy distribution.<br>Accumulation = Institutions are BUYING, Distribution = Inst are SELLING |  | <b>Nasdaq</b>            | <b>D+</b>                |              |
|   |  | <b>S&amp;P 500</b>       | <b>D</b>                 |              |
|   |  | <b>DJIA</b>              | <b>D</b>                 |              |
| <b>Are Major Indexes Above or Below Moving Averages?</b><br>"At" is within 1% above or below the moving average.  |  | <b>50-Day</b>            | <b>200-Day</b>           |              |
|   |  | <b>Nasdaq</b>            | <b>Above</b>             | <b>Above</b> |
|   |  | <b>S&amp;P 500</b>       | <b>Above</b>             | <b>Above</b> |
|   |  | <b>NYSE</b>              | <b>Above</b>             | <b>Above</b> |
|   |  | <b>DJIA</b>              | <b>Above</b>             | <b>Above</b> |

## Nasdaq Daily chart, 3 months

The Nasdaq continues to rise above its 50-day moving average.  
Notice the recent rising lows.



## Nasdaq Weekly chart, 1 year

The Nasdaq weekly also closed above 10-week m.a.s.  
Notice the three higher lows over the last five weeks.



These charts are from StockCharts.com, a valuable site for investors with many free tools.

## S&P500 Daily chart, 3 months

The S&P500 is above its 50-day moving average and above its 4/20 high. Notice the recent lows have also risen.



## S&P500 Weekly chart, 1 year

S&P500 weekly rallies to above its 10-week moving average last Friday. Notice the higher lows over the last five weeks.



These charts are from StockCharts.com, a valuable site for investors with many free tools

## MARKET ACTION (Nasdaq) OVER THE LAST 20 DAYS

*(For a full explanation of the terms in this table see end of this newsletter)*

| #   | Date    | Close   | Index % Change | Volume % Change | Current Trend Day Count | Type of Day: Accumulation, Distribution or Neither (—) | CONSISTENT WITH: UPTREND or Downtrend? |
|---|---------|---------|----------------|-----------------|-------------------------|--|--|
| <b>THE COLOR OF THE "CURRENT TREND DAY COUNT" tells you the current market direction:<br/>Red = Downtrend, Yellow = Uptrend under Pressure, Green = Uptrend</b> |         |         |                |                 |                         |  |  |
| 20  | 4/19/18 | 7238.03 | -0.8%          | +5.7%           | 8                       | Minor distribution day                                 | DOWNTREND                              |
| 19  | 4/20/18 | 7146.13 | -1.3%          | -5.5%           | 9                       | —  | UPTREND                                |
| 18  | 4/23/18 | 7128.60 | -0.3%          | -9.7%           | 10                      | —  | UPTREND                                |
| 17  | 4/24/18 | 7007.35 | -1.7%          | +26.5%          | 11                      | Major Distribution day                                 | DOWNTREND                              |
| 16  | 4/25/18 | 7003.74 | -0.05%         | -5.0%           | 12                      | —  | —                                      |
| 15  | 4/26/18 | 7118.68 | +1.6%          | +3.8%           | 13                      | Major Accumulation day                                 | UPTREND                                |
| 14  | 4/27/18 | 7119.80 | +0.06%         | -2.3%           | 14                      | —  | —                                      |
| 13  | 4/30/18 | 7066.27 | -0.8%          | -4.3%           | 15                      | —  | UPTREND                                |
| 12  | 5/1/18  | 7130.70 | +0.9%          | -3.3%           | 16                      | —  | DOWNTREND                              |
| 11  | 5/2/18  | 7100.90 | -0.4%          | +11.8%          | 17                      | Minor distribution day                                 | DOWNTREND                              |
| 10  | 5/3/18  | 7088.15 | -0.18%         | +9.5%           | 18                      | —  | —                                      |
| 9   | 5/4/18  | 7209.62 | +1.7%          | -12.7%          | 19                      | —  | DOWNTREND                              |
| 8   | 5/7/18  | 7265.21 | +0.8%          | -5.2%           | 20                      | —  | DOWNTREND                              |
| 7   | 5/8/18  | 7266.90 | +0.03%         | +5.5%           | 21                      | —  | —                                      |
| 6   | 5/9/18  | 7339.91 | +1.0%          | +8.8%           | 22                      | Major Accumulation day                                 | UPTREND                                |
| 5   | 5/10/18 | 7404.97 | +0.9%          | -1.4%           | 23                      | —  | DOWNTREND                              |
| 4   | 5/11/18 | 7402.88 | +0.03%         | -6.6%           | 24                      | —  | —                                      |
| 3   | 5/14/18 | 7411.43 | +0.12%         | -1.9%           | 25                      | —  | —                                      |
| 2   | 5/15/18 | 7351.63 | -0.8%          | +0.9%           | 26                      | Minor distribution day                                 | DOWNTREND                              |
| 1   | 5/16/18 | 7398.30 | +0.6%          | -0.9%           | 27                      | —  | DOWNTREND                              |

The CURRENT TREND column colors: **Green:** Uptrend. **Yellow:** Uptrend under Pressure. **Red:** Downtrend.





# **FOR INVESTORS IN INDIVIDUAL STOCKS**

*More detailed comments on market direction and technical analysis for individual stocks*

## **WEDNESDAY**

There are several stocks breaking out of good bases or in buy zones. **Using Investors.com's MarketSmith is the fastest way I know to find these stocks.** Each week, the MarketSmith team puts all their screens together (the IBD 50, Week in Review, Top Big Cap stock, plus dozens more) and create one list of top stocks – **the MarketSmith250**. This is the list the O'Neil portfolio managers are sent home with each weekend. Now you and I can get that same list to study.

From that list, are other automated lists in MarketSmith such as:

- “stocks breaking out today”,
- “stocks near buy points” , and
- “recent breakouts”.

These lists are updated in real time during the week! I am always excited to see the stock breaking out today list! It is my first, go to list! If interested, you can take a low cost trial of MarketSmith and get live coaching on how to use it. After hours, their videos about how to use MS are excellent!

*If you take a MarketSmith trial, please mention me as your source - Charlotte Hudgin, the Dallas and Fort Worth Meetup leader. This helps us get perks and the occasional guest speakers.*

**This newsletter is NOT designed to recommend stocks to watch or buy.** But occasionally I get in the mood to talk about a few stocks that are breaking out or near breakout points. Today I draw your attention to:

- **Cheniere Energy (LNG)** which operates the Sabine Pass LNG receiving terminal. Its ratings are acceptable considering that Oil & Gas companies fluctuate between good years and bad years – it's just part of the business. IBD's EPS calculation would like to see steady growing earnings and has no way to account for the faster swings of this industry group. What you can do is look for recent return to profitability with more expected which fits LNG to a tee.

- **LNG broke out on last Friday with a 6% pop in price and volume of 125% above average. Price held at that attractive level on.**

**Monday and Tuesday:** It is not unexpected that LNG's volume declined with some profit taking after the big rise on Friday.

**Wednesday:** This was the 4<sup>th</sup> day in a row that LNG closed almost unchanged, after the recent breakout. **THAT IS SUPPORT:** Someone is buying all offered at about 62.50.

**Thursday:** LNG fell 0.7% but its daily volume was the lightest since the breakout last Friday. There may have been a little profit taken, but it was not a distribution day since the volume was lighter than yesterday.

**Friday:** LNG rose 0.4% and is just 7 cents below the close of last Friday's breakout day. That tells me the breakout is holding nicely about 4% above the base's pivot (buy) point with only modest profit taking as expected when a stock hits a new high.

**Monday:** LNG rose 0.5% on higher volume for a minor accumulation day! Price ended the day at a new high close.

**Tuesday & Wednesday:** LNG continues to hang around the end-of-day price when it broke out last week. A good breakout is commonly stalled (as LNG is) when there is some profit taking. The drying up of LNG's selling is visible in the declining volume over the last two weeks. This week's below-average volume is a hint that the selling may be near an end. LNG inched up Monday and Wednesday to all-time closing highs.

**I AM STILL CAREFULLY BUYING INDIVIDUAL STOCKS** which are breaking out of good bases with high volume on the breakout day. Volume is the factor which is hard to find right now but I can wait! With the current weakness in the market, I am buying smaller first bites. If you are having trouble finding enough good stocks to buy, consider adding the QQQ or another Uptrend-Index ETF. This is one place I put some of my money when I can't find the right stock at a buy point.

**Remember:**

**CASH IS A POSITION.**

**The market diagnosis is UPTREND.**

**REMEMBER:**

**YOU ARE NOT SMARTER THAN THE MARKET**

**THE MARKET AND STOCKS CONTINUE IN THE DIRECTION THEY ARE GOING..... UNTIL THEY DON'T.**

**PROTECT YOUR PORTFOLIO WITH AN 8% STOP**

**CHOOSE YOUR STOP & LIVE BY IT – NO EXCUSES!**

And you don't have to wait for your stock to fall to the stop. A concentration of distribution days is always a reason for me to get out wherever it happens!

**What to do now:**

1. **WATCH YOUR INVESTMENTS CLOSELY:** Add positions in top stocks at buy or add-on points. Sell stalling and falling stocks quickly.
2. Do a quick **review of each stock you own every night.** Look for strength and weakness signals in the price-volume action, especially watching for distribution (signs of institutional selling)
3. **DON'T LOSE YOUR GAINS:** Sell any stock that is showing a concentration of distribution days. I sell more quickly in a Downtrend

If this newsletter no longer suits your needs, you may unsubscribe here:

[Unsubscribe](#) | [Change Subscriber Options](#)

## ARMCHAIR INVESTOR WEEKLY CLASS SCHEDULE

**NO DALLAS ARMCHAIR INVESTOR CLASSES THIS WEEK (5/14 – 16.)**

Join us for the ARMCHAIR INVESTOR classes NEXT WEEK!

**Be my guest** (FREE) if you have not visited in the last six months (guest seating limited, please be sure to register through the Meetup site listed below or a text or call to Charlotte.

Please register on the Meetup site so I will have a handout for you (25 pages of articles and [Link to registering for the Armchair Investor Meetup- CLICK HERE](#)

**The 2018 ARMCHAIR INVESTOR classes schedule.**

**Pre-register please! Schedules change! See phone number below:**

**Mondays** 6:00 – 8:00 p.m. Barnes & Noble at Royal & Preston (northeast corner), Dallas  
**Tuesdays** 3:30 – 5:30 p.m. Barnes & Noble at Royal & Preston (northeast corner), Dallas  
**Wednesdays** 10:00 am – noon, Barnes & Noble, on Beltline just east of Montfort, Addison

- **Guest attendance** is limited to ensure class members get their full value. -
- **Be sure to call to confirm we are having a class** (we are occasionally on vacation) and have an open chair.

**Call or text me** at 214-995-6702 to schedule your FREE visit (new visitors only) to an ARMCHAIR INVESTOR class.

TO REGISTER FOR THE COMPREHENSIVE, SINGLE SUBJECT  
ARMCHAIR INVESTOR WORKSHOPS  
OR TO VISIT AN ARMCHAIR INVESTOR CLASS:

**CALL OR TEXT** CHARLOTTE HUDGIN AT 214-995-6702

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 at night.

Questions may be submitted to: [Editor@ArmchairInvestor.com](mailto:Editor@ArmchairInvestor.com)  
Some of your questions will be used in future newsletters.

Additional notes follow:

## EXPLANATION OF TERMS FOR THE

### MARKET ACTION OVER THE LAST 20 DAYS

*Four weeks of price and volume action reveal much about the direction of the market and the strength of that movement.*

|   |               | Price |   | Volume |      |
|---|---------------|-------|---|--------|------|
| Healthy <b>Uptrend</b><br>Price-Volume<br>Movement    | Strong Action | Up    | ↑ | ↑      | Up   |
|   | Weaker Action | Down  | ↓ | ↓      | Down |
| Healthy <b>Downtrend</b><br>Price-Volume-<br>Movement | Strong Action | Down  | ↓ | ↑      | Up   |
|   | Weaker Action | Up    | ↑ | ↓      | Down |

The chart below identifies the **market direction** indicated by the Nasdaq's price and volume action for the last 20 days at two levels of significance.

#### **ACCUMULATION/DISTRIBUTION COLUMN - TELLS YOU WHERE THE BIG MONEY IS GOING**

The listing includes: the date, Nasdaq closing price and percent change of the Nasdaq price and volume.

- The next column identifies days that were **Major Accumulation** (serious UPTREND indicator) or **Major Distribution** (serious Downtrend indicator) using the 1% minimum rise or fall with higher volume.
- **Minor accumulation** and **minor distribution days** are also identified – days that moved 0.2% or more but less than 1%.

#### **“CONSISTENT WITH”– THE SUBTLE, BUT TELLING MOVES**

The last column is an UPTREND /Downtrend indicator.

Think of a healthy Uptrend. It will have many days where the index rises with increased volume.

But even in the most robust Uptrend, \* not every day will be up. In any Uptrend, there will be some down days. If they have higher volume, then the day becomes a distribution day but if the volume is lighter (as frequently happens in an Uptrend), then the down day is NOT a distribution day. In fact, a drop on lighter 4747.62 volume says they market is NOT selling off heavily – good news and consistent with the Uptrend.

Using the Healthy UPTREND/Downtrend price and volume movement listed above.

- For example, if the Nasdaq closing price rose 0.7% and the volume rose 2% (up and up), that movement is “consistent with” the price-volume action of a Healthy UPTREND.
- If the price drops 0.5% and the volume rises 1.2% (down and up), that movement is “consistent with” the price-volume action of a Healthy Downtrend as indicated in the table above.
- Any index change less than + or – 0.2% or volume change less than + or – 1% has no “consistent with” notation. Price and volume movements that small is not strong enough to tell us about the market movement.

## EXAMPLE OF ACCUMULATION AND DISTRIBUTION WITH EXPANDED EXPLANATION OF TERMS:

| Today's Market Action with explanation |             |                |                 |                      |                                   |   |
|--|-------------|----------------|-----------------|----------------------|-----------------------------------|---|
| 2/5/16                                 | Index Close | Index % Change | Volume % Change | Volume vs 50-day Avg | Accumulation or Distribution Day? | Current Trend: DOWNTREND Began 1/4/2015 |
| Index                                  | 4363.14     | -3.2%          | +13.8%          | +21.8%               | Major Distribution                | +11.3%                                  |
| S&P500                                 | 1879.92     | -1.9%          | NYSE Volume     |                      | Neither                           | +6.6%                                   |
| NYSE                                   | 9,390.33    | -1.5%          | -5.3%           | +15.0%               | Neither                           | +6.2%                                   |
| DJIA                                   | 16,204.62   | -1.3%          |                 |                      | Neither                           | +5.5%                                   |

A **Major Accumulation Day**: Price RISES 1.0% or more and higher Volume than the day before  
A **Minor accumulation Day**: Price RISES 0.2% or more and Volume is strong (either higher volume or is well-above average volume)

A **Major Distribution Day**: Price FALLS 1.0% or more and higher Volume than the day before.  
A **Minor distribution Day**: Price FALLS 0.2% or more, Volume is strong (either higher volume or is well-above average volume)

A **Stalling minor distribution Day**: Only in an up-trending index or stock, price is FLAT or DOWN slightly compared to the day before, closing in the bottom half of the day's range and volume is heavier or about equal to the day before or strong compared to the past market. It's the price closing low in the day's range after an uptrend that is the key for this designation. Price close to flat and higher or consistent volume indicates the big money (institutions: mutual funds, banks, etc.) are gently selling, trying to sneak out so you won't notice.

\*\* The "CURRENT TREND" column calculates how far each index has moved in the current trend assuming you purchased the index (which is not buyable) at the opening price on the day after the trend change signal.

- **When this column is GREEN, the index has moved in the direction of the market trend.**
- **HOWEVER, when this column is RED, the index change has fallen into negative territory (which could be a rise during a Downtrend)**

An **ACCUMULATION** day points at heavy buying by institutional money managers - the mutual funds, pension funds, banks, etc.  
A **DISTRIBUTION** day points at heavy selling by institutional money managers.