

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

PLEASE NOTE: ALL ARMCHAIR INVESTOR CLASSES WILL BE HELD ONLINE UNTIL FURTHER NOTICE. All are welcome to visit my online classes next week as my guest (FREE). I want you all to take advantage of this falling market!.

VISITORS ARE WELCOME TO JOIN US: This newsletter goes out to almost 1,000 subscribers. Limited seating. **Reserve your seat now** at [Armchair Investor Meetup site](#)

CURRENT MARKET DIRECTION: **DOWNTREND**

Armchair Investor Trend-following Investment Position:	I hold the PSQ (inverse QQQ)
Total Armchair Investor 2020 Return	17.0% Year-to-date

Wide swings alternating from up to down are showing up almost daily.

- “Wild swings” is the state of today’s market. You don’t have to like it.
- This downtrend has not had two back-to-back rising days since it began. (2/28 doesn’t count since it had an insignificant 0.01% change)
- Thursday could be that second rising day – or not. I hold me PSQ

Remember: The market continues in the direction it is going until it doesn’t.

By following the current market trend, I will be wrong at the bottom, but right all the way day!

DAILY MARKET ACTION						
3/19/20	Index Close	Index % Change	Volume % Change	Volume vs 50-day Avg.	Accumulation or Distribution Day?	<u>YOUR GAIN</u> from <u>shorting</u> at the 2/25/2020 DOWNTREND SIGNAL
Nasdaq	7150.58	+2.3%	-4.1%	+50.2%	Neither	+20.7%
S&P500	2409.39	+0.5%	NYSE Volume		Neither	+23.3%
DJIA	20087.19	+0.9%	-8.9%	+66.5%	Neither	+26.0%

UNDERSTANDING THE MARKET’S MESSAGE from the daily of price and volume action.

- Thursday was day with lower volume than the day before showing uncertainty or disagreement with the day’s price move.

An idea for **HOW TO MAKE MONEY IN A FALLING MARKET**: The inverse ETFs are designed to rise when the market falls (and vice versa). An inverse ETF can be a great way to earn positive returns in a falling market. At zero trade costs, why not add at least one share of the PSQ (short QQQ) and the SQQQ (3x the PSQ). That will give you bragging rights to tell you grandkids how smart you were! (If this is the bottom –which is unlikely – it will be our secret.)

CHART READING LESSON: Look at a Nasdaq or S&P500 chart over the last 8 weeks. You can see the **telltale DOWN-TRENDING pattern** of:

- higher volume DOWN days (serious selling)
- and many lower volume UP days (uncertainty).
- Go to **page 8** to see the 20-day analysis of the strength and weakness in this market.

REMEMBER THESE TWO CRITICAL RULES:

1. **THE MARKET CONTINUES IN THE DIRECTION IT IS GOING, UNTIL IT DOESN'T**
2. If you are not comfortable in a short position, **CASH IS ALSO POSITION** – one that does not fall with a crashing market.

The selling cascade continues! IS THE CRASH OVER? I remind you:

REMEMBER:
THE MARKET CONTINUES IN THE DIRECTION IT IS GOING,
UNTIL IT DOESN'T !

Signs of Market Strength

- One accumulation day in the last 19 market days.....(*dirge music playing in background!*)

Signs of Market Weakness

- The market continued to tumble down the hill: the Nasdaq and S&P500 are **now living below their 200-day moving averages**.
- All major indexes (Nasdaq, S&P500 and DJIA) have lowest Distribution ratings of E.
- The market feels like the “Wild West” – unpredictable, highly volatile. **Avoid the “showdown” by exiting any losing stocks.**
- Eleven of the Nasdaq’s last 20 trading days (4 weeks) were distribution (heavy selling) days.

MY PLAN FOR THURSDAY: I hold my PSQ which rise as the QQQ drops. I don’t usually tell my readers about my holding the triple inverse SQQQ because it is a wild ride. But true confession – I hold it now as I have told the students in my weekly classes. If you hold a triple ETF like the SQQQ (short QQQ), you must watch the market (or this newsletter) daily! Although analysts may predict this market will continue to drop significantly, and the virus is expected to be a major factor for months to come, you still must watch the market daily.

With the Coronavirus spreading, it could be a... long,... cold... spring!

You can hold a winning stock as long as it holds its gain. (Very few are!) But be sure to watch each stock for additional distribution days to signal an exit point. See selling rules chapter of “How to Make Money in Stocks” by William O’Neil, founder of Investor’s Business Daily.

ARMCHAIR INVESTOR TREND-FOLLOWING RETURNS 2020						
Market Direction Signal Change	Direction	Action	# Days	Price	% GAIN Each Trend (See note)	Armchair Investor GAINS In 2020
12/31/19	Uptrend	Hold the QQQ	55	\$212.61	+4.3%	+4.3%
2/24/20	Uptrend under Pressure	Sold QQQ. Wait in CASH	3	\$221.84	+0.0%	+4.3%
2/27/20	Downtrend	Bot PSQ at Open	0	\$24.69	+0.0%	+4.3%
3/18/20	Downtrend	Hold PSQ	21	\$27.68	+12.1%	+12.1%
Total Days			79	TOTAL % FOR 2020:		+17.0%

Reminder: I do not make recommendations - just ideas to consider.

CALL ME IF YOU ARE STUCK! Charlotte – 214-995-6702

**Or Send questions to: EDITOR@ARMCHAIRINVESTOR.COM
I’M ON THE OUTLOOK FOR YOUR COMMENTS/QUESTIONS!**

How does a Downtrend evolve into a new Uptrend?

>>>>> This pattern is what I am watching for every day!

A Downtrend changes to an Uptrend by having a Follow-through day which occurs when the market takes 2 clear Upward steps:

- 1. Attempted Rally:** One or both major indexes (Nasdaq and S&P500) closes higher than the day before and stays above that low.) This happened on 2/28. The Attempted Rally stays in effect until the index undercuts the recent low, or a Follow-Through day changes the market diagnosis to Uptrend – See step 2 next...
- 2. Follow-through Day:** On day 4 or later of the A-R, one or both of the major indexes has a **strong rise** (usually 1.3% or more) with higher volume than the day before.

NOTE: Stay tuned! A New Uptrend could begin any day now! Or not!

FYI: The PSQ stock is designed as the inverse of the QQQ. When the market goes down, the PSQ rises. When the market falls, the PSQ rises about an equal percent.

THE ARMCHAIR INVESTOR TREND-FOLLOWING STRATEGY

A Simple and Powerful Tool to Increase Your Returns

Armchair Investor Mantra:

- Be IN the market when it is going up
- Be OUT of the market when it is going down
- Protect your portfolio with 8% stops.

The primary purpose of this Armchair Investor newsletter is to let you, the reader, earn bigger returns riding the trend of the market.

By following the best (most reliable) market change signals, you can:

- **Get in the market near the bottom** of a new bull market
- **Exit the market near the top**, and
 - **Capture more of the gains**,
 - **Avoid more of the losses** and, thus
 - **Earn higher returns** than the “buy-and-hold” strategy recommended by many brokers and money managers!

Why a “Buy-and-Hold” strategy doesn’t work well:

When the market has topped and starts to fall, do you really want to let your profits fade away as the market falls – sometimes for years? Of course not! Selling your uptrend position allows you to capture your gains and store them safely away in cash. What is the right time to exit? This newsletter will show you the market’s signal.

Most downtrends (also called corrections) fall faster than the uptrends rise.

I am not willing to sit in a sick, falling market and lose my hard earned gains! Cash is a safer position!

Here are the three signals I will give you in this newsletter for the three market conditions:

- **Uptrends:** When the market rises into an Uptrend, buy and hold the QQQ, a stock that rises with the general market.
- **Uptrend showing Weakness:** As a market Uptrend starts to fall, you will receive the signal to exit the QQQ and safely wait in cash.
- **Downtrends:** If the market continues down, you will receive a signal to buy the PSQ, a stock that rises while the market falls.

FINALLY – For individual stocks: Use these market signals to help you when buying individual stocks. You increase your likelihood of a successful stock purchase if you only buy stocks when the market is in an Uptrend. Lesson: Don’t fight the market trend!

**HOW CAN YOU CAPTURE THOSE
GREAT MARKET GAINS SHOWN ABOVE?
USE THE ARMCHAIR INVESTOR PLAN:
*It's as easy as 1- 2- 3!***

STEP 1: Ride a rising market _____.

STEP 2: Protect your investments during a weakening Uptrend

STEP 3: Go to _____ in a falling market. <<<<<< NOW!

This newsletter will identify the market direction, (step 1, step 2 or step 3) and explain what you can do to grow and protect your portfolio.

STEP 1: In an Uptrend, hold the QQQ, a Nasdaq100 ETF

Find the market direction diagnosis every night in this newsletter.

- In the Uptrend, buy the QQQ the next morning if you don't yet have that position. This newsletter will alert you to the Uptrend signal! *The QQQ follows the ups and downs of the Nasdaq100, allowing you to grab the rises of an Uptrend.*
- With some additional positive action, you may decide to switch to the double QQQ ETF (QLD) or triple QQQ (TQQQ). I do not recommend these moves for the first time investor.

Just in case protection: When you receive your confirmation of the purchase, place an **8% STOP LOSS** order to protect your portfolio from a sudden market reversal (executing this sale is rare – I almost always sell when the market goes into “under pressure” or Downtrend – see Step 2 below). Your broker can help you set up this order.

This upward ride is the most exciting part of trend-following – Ride the escalator up, up, up as the market rises. Exit when the market starts to show significant weakness (read this newsletter nightly!

Although not every Uptrend signal generates a positive return, most do.

STEP 2: When the Uptrend slows down: “Uptrend under Pressure”

“Uptrend under Pressure” is a **Warning Message** and means:

- The market is showing significant distribution (selling pressure.)
Investors should:
 - **Be concerned about the strength of this Uptrend.**
During an Uptrend under Pressure, this newsletter may move into CASH position to avoid possible losses.
 - **Check on the health of your investments each night!** Many investors do not buy new stock positions during this period due to higher failure rates.
- **From STEP 2, “Uptrend under Pressure,”** the market diagnosis will go one of two ways:
 - **Rise** with price and volume strength, and return to **Uptrend – (STEP 1)**, or
 - Continue to add more distribution days and **fall** into a **Downtrend (correction)**
- This is a time to pay attention to the market behavior.

STEP 3: When the market diagnosis goes to “Downtrend”

Capture much of the gains from the Uptrend by selling your Uptrend ETF position (QQQ, QLD or TQQQ) when the market diagnosis goes into Downtrend to capture much of the gains earned in Steps 1 & 2 above.

After exiting the Uptrend ETF, wait in cash until the next Uptrend signal. More recent Downtrends have been short term and not tradable.

The Uptrend has been years long and strong. The market is due for a long dive. I will invest in the PSQ (inverse QQQ) ETF which makes profits as the market falls!

NOTE: Not every market direction signal ends with a positive return. But overall, this Market Tracking Strategy has outperformed the market when traded according to these signals.

BONUS: Plus the market direction signals will help you by indicating when it is most effective to consider adding individual stocks to your portfolio (with a strong uptrending market).

MARKET FACTORS, COUNTS & RATINGS		3/19/2020	
Type of Day for <u>Nasdaq Index</u> Accumulation, Distribution or Neither		Neither	
I track the <u>Nasdaq's</u> price-volume because it usually leads the market direction.			
Market Direction Uptrend, Under Pressure, Downtrend		Downtrend	
Nasdaq Accumulation & Distribution Days (last 20 days) Only accumulation and distribution days <u>since the last market direction change</u> are in this count.		Accumulation Days	Distribution Days
		1	10
FYI: IBD uses 25 days for their distribution count. I've found the last 20 days to be most relevant. Thus, we don't always match.			
Count of Up Days and Down Days Nasdaq's last <u>10-days'</u> price movement		Up Days	Down Days
		3	7
Only days that move at least + or - 0.2% are included in the Up/Down count which does not always, therefore, add up to 10 days.			
Rising/Falling Ratio of Leader Stocks with High Volume Nasdaq 10-day ratio		0.8	
This indicator looks at the HEALTH of leading stocks (high RS rating) with strong financials (high EPS rating) Uptrend indicator: 1.5 or higher. Neutral: 1.0 to 1.49. Downtrend: less than 1.0			
Market Accumulation/Distribution Ratings "A": heavy accumulation, "B": moderate accumulation, "C": neutral, "D": moderate distribution, "E": heavy distribution. Accumulation = Institutions are BUYING, Distribution = Inst are SELLING		Nasdaq	D
		S&P 500	E
		DJIA	E
Are Major Indexes Above or Below Moving Averages? "At" is within 1% above or below the moving average.		50-Day	200-Day
Nasdaq		Below	Below
S&P 500		Below	Below
NYSE		Below	Below
DJIA		Below	Below

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?
20	2/21/20	9576.59	-1.8%	+0.4%	133	Major Distribution	DOWNTREND
19	2/24/20	9221.28	-3.7%	+14.6%	134	Major Distribution	DOWNTREND
18	2/25/20	8965.61	-2.8%	+13.4%	1	Major Distribution	DOWNTREND
17	2/26/20	8980.77	+0.17%	+0.3%	2	—	—
16	2/27/20	8566.48	-4.6%	+25.4%	3	Major Distribution	DOWNTREND
15	2/28/20	8567.37	+0.01%	+15.8%	4	—	—
14	3/2/20	8952.16	+4.5%	-19.3%	5	—	DOWNTREND
13	3/3/20	8684.09	-3.0%	+4.4%	6	Major Distribution	DOWNTREND
12	3/4/20	9018.09	+3.9%	-18.1%	7	—	DOWNTREND
11	3/5/20	8752.77	-2.9%	+4.0%	8	Major Distribution	DOWNTREND
10	3/6/20	8575.62	-2.6%	+22.6%	9	Major Distribution	DOWNTREND
9	3/9/20	7950.68	-7.3%	+5.4%	10	Major Distribution	DOWNTREND
8	3/10/20	8344.25	+5.0%	-1.7%	11	—	DOWNTREND
7	3/11/20	7952.05	-4.7%	-2.3%	12	—	UPTREND*
6	3/12/20	7288.63	-8.3%	+19.6%	13	Major Distribution	DOWNTREND
5	3/13/20	7874.88	+9.4%	-8.9%	14	—	DOWNTREND
4	3/16/20	6904.59	-12.3%	-3.4%	15	—	UPTREND
3	3/17/20	7334.78	+6.2%	+7.6%	16	Major Accumulation	UPTREND
2	3/18/20	6989.84	-4.7%	+0.24%	17	Major Distribution	DOWNTREND
1	3/19/20	7150.58	+2.3%	-4.1%	18	—	DOWNTREND

This table tracks **CLOSING all-time high prices** with the heavy black boxes around the price. Tomorrow we lose the last (2/19/2020) all-time-high day as it ages out of the 20-day table.

*When a stock or index falls with lower volume than the day before (see 3/11 and 3/16 above as examples), the lower volume says the market isn't as excited (or committed) to that day's drop as it was to the prior day's action. Thus, the day is label "Consistent with an Uptrend day." In today's crashing market, the lack of higher volume on these down days gives a bit of hope for a turnaround! I wait for the full required days' action for a new Uptrend before getting very excited.

A BLACK BOX around the Nasdaq price indicates this price is an **all-time closing high**

DO YOU INVEST IN INDIVIDUAL STOCKS?—

Always consider taking some profit if significant distribution is showing up for your individual stocks. However, many individual stocks are rising with gusto! Look at all the lists in the Investor's Business Daily newspaper for stocks breaking out with high volume. **They are there!**

To get a deeper sense of the health of the market, look at the **MARKET FACTORS, COUNTS & RATINGS table** included each day in the FULL Armchair Investor newsletter. It looks at 7 key market direction factors and highlights the leaning of each:

- If the factor leans toward the **Uptrend**, that box will be **green**
- If the factor leans toward the **Downtrend**, that box will be **orange** or **red**

To schedule a class visit: Contact Charlotte Hudgin at 214-995-6702

One of the reasons I pay so much attention to the Investor's Business Daily strategies and books (*How to Make Money in Stocks series*) is that they work consistently.

Visit an ARMCHAIR INVESTOR CLASS

We have 3 live classes given each week in Dallas. These classes will be given **ONLINE** until we are cleared to meet in person. **Visit any class this week and next as my guest.** Register at the Armchair Investor Meetup class site to receive an invitation to join the class you are interested in. Click on one of the links below to register.

- [Monday nights 7 – 9 p.m.](#)
- [Tuesday afternoons 2:30 – 4:30 p.m.](#)
- [Wednesday mornings 10:00 a.m. to noon](#)
- Classes meet in **ONLINE**.
- Online classes and consultations available by appointment – **Call me for a FREE introduction!**

Newsletter readers get a FREE class visit:

Monday evening, Tuesday afternoon or Wednesday morning in Dallas.
Register on Meetup.com or call or text me to set up your visit.

Pre-REGISTRATION REQUIRED FOR YOUR FREE VISIT

Just Call or Text me: 214-995-6702

CALL EARLY: Seating is limited.

**ARMCHAIR INVESTOR TREND-FOLLOWING EARNINGS USING
SINGLE, DOUBLE AND TRIPLE ETFs
ARMCHAIR INVESTOR TREND-FOLLOWING RETURNS**

Current Uptrend ENDED ON 2/24/2020

Sold the ETFs on 2/24/20 As the market went into Downtrend	8/14/2019 Opening Price	2/24/2020 Opening Price	Gain from 8/13/19 Uptrend Signal to 2/21/20 Downtrend Signal
QQQ (1x)	\$185.31	\$221.84	+19.7%
QLD (2x)	\$93.62	\$131.03	+40.0%
TQQQ (3x)	\$59.15	\$96.28	+62.8%

Note: The links to update "TODAY's Closing Prices" in this table were broken recently. The above Closing Prices are corrected. This table tracks the returns you would now have if you had followed the Armchair Investor plan and bought the ETFs listed above at the opening price on the morning after the new "Market in Uptrend" signal.

>>> **The stocks with A or B Accumulation/Distribution ratings dropped up over the last 2 weeks** dropping from 55% to A miniscule 14% As and Bs. The D and E rated stocks win! (An even distribution would be only 40%)

The chart below **TAKES MY BREATH AWAY!**

The stocks with strong buying (A or B rating) crashed from a very strong 56% to a "gasping for life" 7% in just 4 weeks ! ! ! !

PROGRESS IN ACCUMULATION/DISTRIBUTION RATINGS							
		A	B	C	D	E	As + Bs
4 weeks ago	2/20	15%	41%	20%	17%	7%	56%
3 weeks ago	2/27	6%	21%	19%	30%	24%	27%
2 weeks ago	3/5	4%	18%	19%	32%	26%	22%
1 week ago	3/12	3%	11%	15%	33%	38%	14%
Today	3/19	2%	5%	7%	24%	62%	7%
	# stocks in each rating:	127	296	440	1398	3617	5878

Stocks with an A or B rating are under accumulation (being bought.)
Stocks with a D or E rating are under distribution (being sold).

AN EVEN SPLIT: Since there are 5 ratings, each would equally get 20%.

When the market shows heavy buying of top stocks, the A and B counts will rise and the D and E counts will fall. When the market is heavily selling stocks, the opposite happens,

THE SIGNAL: Notice I have noted the % of all stocks that have A or B ratings.

- When the A+B% rises, I know the market, as a whole, is being bought.
- Any total of A+Bs over their "fair share" of 40% (2 ratings out of the 5 possible ratings= 40%) is good news. The 18% above is **BAD NEWS**

HOW CLOSE ARE THE INDICES TO ALL-TIME HIGHS?				
3/19/2020	Nasdaq	S&P500	NYSE	DJIA
Date of Index All-time High*	2/19/2020	2/19/2020	1/17/2020	2/12/2020
All-time High	9838.37	3393.52	14183.26	29568.27
Closing Price	7150.58	2409.39	9461.3	20087.19
Below (-) or Above (+) Recent High (%)	-27.3%	-29.0%	-33.3%	-32.1%
*New Highs are daily intraday prices and are noted in <u>green</u> for a week, even if the price drops lower.				

MARKET ACTION 2020 YEAR-TO-DATE			
3/19/20	2019 Closing Price	Current Price	Index % Change Year-to-Date
Nasdaq	8972.61	7150.58	-20.3%
S&P 500	3230.78	2409.39	-25.4%
DJIA	28538.44	20087.19	-29.6%
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."			

LAST WEEK'S MARKET ACTION: WHAT HAPPENED LAST WEEK: Look at the pairing of the price and volume movement for last week:

- On both days the index rose, the volume declined showing a shyness to buy.
- On almost every day that the index went down, the volume went up – revealing a day of selling called “distribution”. *Note: On Wednesday rise, the volume was lower but still almost 50% above average, showing heavy selling.*
- **This sends a VERY STRONG MESSAGE: There is little support for any hope of a rise!**

—Last Week in Review						
	MONDAY	TUESDAY	WEDNES- DAY	THURS- DAY	FRIDAY	FOR THE WEEK:
	3/9	3/10	3/11	3/12	3/13	3/9-3/13
Nasdaq	-7.3%	+5.0%	-4.7%	-8.3%	+9.4%	-8.2%
Volume	+5.4%	-8.7%	-2.3%	+20.0%	-8.9%	+13.7
	Distribution	Neither	Neither	Distribution	Neither	Distribution

You can see this pattern of higher volume UP days with lower volume DOWN days for the **last 8 weeks**. Just look at a daily Nasdaq or S&P500 chart. Scan the volume over the last four weeks. You will see almost all the volume bars sticking up above their neighbors are RED showing those were Down days. You do have to have a chart with two color volume lines, red for down price days and green (or blue) for rising days.

LAST WEEK'S MARKET ACTION				
3/6/20	Weekly Index % Change	Weekly Volume % Change	Volume Above/ Below 10-week Avg	Type of Week
Nasdaq	+0.1%	+0.2%	+55.0%	Neither
S&P 500	+0.6%	S&P 500 Volume		Neither
DJIA	+1.8%	-4.5%	+73.0%	Neither
<p>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, DJIA and NYSE Composite.</p>				

NASDAQ Daily 4 month chart, (updated Thursday 3/19/2020)



NASDAQ Weekly 1 year chart, (updated Friday 3/13/2020)

Nasdaq falls then rises but holds below 200-da m.a.
 (This weekly chart is updated Fridays)



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

S&P500 **Daily 4 month** chart, (updated **Thursday 3/19/2020**)



S&P500 **Weekly 1 year** chart, (updated **Friday 3/13/2020**) **S&P500** Crashes again on virus worries. Stays below 200-day support line. Just look at the prior 2 weeks (This weekly chart is updated Fridays)



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

Access the FULL ARMCHAIR Investor newsletter each night in just 2 clicks:

WWW.ARMCHAIRINVESTOR.COM

Then click on **CURRENT NEWSLETTER** tab

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

See additional definitions on the following pages....

**EXAMPLE of the DAILY MARKET ACTION table
with explanation of terms and signals:**

THE DAILY MARKET ACTION						
9/27/19	Index Close	Index % Change	Volume % Change	Volume vs 50-day Avg.	Accumulation or Distribution Day?	Recent Trend Gain/Loss from 8/13 UPTREND SIGNAL
Nasdaq	7,939.63	-1.1%	+8.5%	-11.0%	Major Distribution	+1.7%
S&P500	2,961.79	-0.5%	NYSE Volume		minor distribution	+3.4%
DJIA	26,820.25	-0.3%	+5.1%	-12.0%	minor distribution	+3.8%

A **Major Accumulation Day**: Price RISES 1.0% or more with higher Volume than the day before.
A **minor accumulation Day**: Price RISES 0.2% and less than 1% with strong Volume (either higher than the day before or is well-above average volume).
A **Major Distribution Day**: Price FALLS 1.0% or more with higher Volume than the day before.
A **minor distribution Day**: Price FALLS 0.2% and less than 1% with strong Volume (either higher than the day before or is well-above average volume).
If the day's price/volume action does not meet the accumulation or distribution definitions above, it is a **neither day**.

** The **Recent Trend Gains/Losses** column calculates how far each index has moved from the recent trend change assuming you purchased the index (in an Uptrend) or sold the index (in a Downtrend) at the opening price on the day after the signal. Although not every year outperforms the common "buy and hold" strategy, using these signals has significantly OUTPERFORMED the buy-and-hold strategy in total since 1/1/2000.

Why are my Final Volumes Sometimes Different than Yours? Why do the volume numbers on this table not always match other web sites? The 4:00 close of the market immediately shows an accurate final price. But the volume figures continue to trickle in for hours. At some time, the accumulation of volume numbers has to be cut off and different sites use different cut-offs. Also, some sources include the volume of stocks listed on one exchange but traded on another (e.g. Apple stock listed on Nasdaq but also traded on other exchanges.) And some sources do not. The most important rule is to consistently use only one source for volume.

EXAMPLE and DEFINITIONS used in this newsletter:

DAILY MARKET ACTION						
10/25/19	Index Close	Index % Change	Volume % Change	Volume vs 50-day Avg.	Accumulation or Distribution Day?	Recent Trend Gain/Loss from 8/13 UPTREND SIGNAL
Nasdaq	8,243.12	+0.70%	+1.2%	-2.1%	Neither	+5.3%
S&P500	3,022.55	+0.41%	NYSE Volume		Neither	+5.3%
DJIA	26,958.06	+0.57%	-9.2%	-1.5%	Neither	+4.3%
<p>A Major Accumulation Day: Price RISES at least 1.0% or more with higher Volume than prior day.</p> <p>A minor accumulation Day: Price RISES at least 0.2% and less than 1% with strong Volume (either higher than the day before or is well-above average volume).</p> <p>A Major Distribution Day: Price FALLS at least 1.0% or more with higher Volume than the day before.</p> <p>A minor distribution Day: Price FALLS at least 0.2% and less than 1% with strong Volume (either higher than the day before or is well-above average volume).</p> <p>If the day's price/volume action does not meet the accumulation or distribution definitions above, it is a "Neither" day.</p>						
<p>Why are my Final Volumes Sometimes Different than Yours? Why do the volume numbers on this table not always match other web sites? The 4:00 p.m. close of the market immediately shows an accurate final price. But the volume figures continue to trickle in for hours. At some time, the accumulation of volume numbers has to be cut off and different sites use different cut-offs. Also, some sources include the volume of stocks listed on one exchange but traded on another (e.g. Apple stock listed on Nasdaq but also traded on other exchanges.) And some sources do not. The most important rule is to consistently use the same source for your volume.</p>						

DO YOU INVEST IN INDIVIDUAL STOCKS?—

Always consider taking some profit if significant distribution is showing up for your individual stocks. However, many individual stocks are rising with gusto! Look at all the lists in the Investor's Business Daily newspaper for stocks breaking out with high volume. **They are there!**

To get a deeper sense of the health of the market, look at the **MARKET FACTORS, COUNTS & RATINGS table** included each day in the FULL Armchair Investor newsletter. It looks at 7 key market direction factors and highlights the leaning of each:

- If the factor leans toward the **Uptrend**, that box will be **green**
- If the factor leans toward the **Downtrend**, that box will be **orange** or **red**

To schedule a class visit: Contact Charlotte Hudgin at 214-995-6702

One of the reasons I pay so much attention to the Investor's Business Daily strategies and books (*How to Make Money in Stocks series*) is that they work consistently.

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