

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

Today is **LAST FREE ACCESS** to the Armchair Investor online classes!
 Join me TODAY, Wednesday, 10 a.m. to noon (central time)
 Register at the [Armchair Investor Meetup](#) to receive your link to the meeting.

CURRENT MARKET DIRECTION: UPTREND.

Armchair Investor Trend-following Investment Position:	I bought the QQQ at 4/7 open
Total Armchair Investor 2020 Return See trades on page 2	10.2% year-to-date

THE MARKET'S MESSAGE A new Uptrend that began last Thursday stalled Tuesday. The Nasdaq opened fell 0.3% with higher volume. A new Uptrend is called in two steps:

1. An Attempted Rally: an upward reversal day on 3/23, then
2. A Follow-Through day: a single powerful rising day on day 4 or later of A.R.

>>>> Tuesday's price-volume action was FLAT:

- Both major indexes, the Nasdaq and S&P 500, had **significantly large Accumulation days**, rising over 7% with higher volume.
- Both indexes **hit new highs** since the 3/23 lows.
- Both indexes **closed within 1/2% of the day's high.**
- The Nasdaq had the **highest rise in volume** in any up day in a month!
-

DAILY MARKET ACTION						
4/7/20	Index Close	Index % Change	Volume % Change	Volume vs 50-day Avg.	Accumulation or Distribution Day?	YOUR GAIN from Buying the QQQ on 4/7 (Uptrend)
Nasdaq	7887.26	-0.33%	+8.9%	+6.9%	Minor distribution	+12.5%
S&P500	2659.41	-0.16%	NYSE Volume		Neither	+15.3%
DJIA	22653.86	-0.12%	+10.6%	+24.4%	Neither	+16.6%

MY PLAN FOR WEDNESDAY: HOLD the QQQ. I will start buying partial positions in a couple of strong individual stocks, easing into this frisky market.

This NEW UPTREND is still not guaranteed!

After a dramatic 30+% drop on the Nasdaq and S&P500, **history warns us** that this first upturn can fail. Stay tuned! And watch the virus/economic news.

ARMCHAIR INVESTOR TREND-FOLLOWING RETURNS 2020						
Market Direction Change	Direction Signal	Action	# Days	Price	% GAIN Each Trend (See note)	Armchair Investor GAIN In 2020
12/31/19	Uptrend	Hold the QQQ	55	\$212.61	+4.34%	+4.3%
2/24/20	Uptrend under Pressure	Sold QQQ at Open Waiting in CASH	3	\$221.84	+0.0%	+4.3%
2/27/20	Downtrend	Bot PSQ at Open	36	\$24.65	+5.6%	+10.2%
4/6/20	Uptrend	Sold PSQ at Open Waiting in Cash	4	\$26.03	+0.0%	+10.2%
4/7/20	Uptrend (stronger)	Bot QQQ at Open	0	\$202.14	-2.8%	+9.9%
4/7/20	Uptrend	Closing price	1	\$196.40		
Total Days			98	TOTAL % Gain YTD =		+9.9%
				Annualized % Gain =		41.9%

The market could go back into Downtrend IF:

- it undercuts its recent low on 3/23 or
- Has a concentration of distribution days since the Uptrend signal on 4/2..

TUESDAY'S MARKET LESSON: This market's personality is: continued big day-to-day and intra-day swings! I should have followed my own analysis and waited a day: The Nasdaq hasn't had more than one up-day in a row since the February 20 start! The index charts looks like a ping-pong game! Up-down-up-down-up-down [repeat]

Could this new Uptrend still die?

Yes! Undercutting the 3/23 index lows would require a drop in the market of 16 - 18%. In this wildly swinging market, that undercut could happen in just a 2 or 3 bad days. The market did drop on Friday but without higher volume. See **DAILY MARKET ACTION** table below

2 CHART READING LESSONS: Look at a Nasdaq or S&P500 daily chart over the last 8 weeks. (Charts are at the end of this newsletter.)

Notice the telltale DOWN-TRENDING pattern of frequent:

- higher volume DOWN days (serious selling)
- and lower volume UP days (lack of commitment to the upward move).

Uptrend "Change in S&P500 personality" since the February 19 top:

- Last week was the **FIRST TIME A MAJOR INDEX (the S&P500) had more than 1 accumulation days (a rise in price and volume) in a row since this downtrend began a month ago – WOW!** It had 3 rising days! The Nasdaq still only has one in a row.
- Go to **page 8** to see the 20 day-by-day analysis of the strength and weakness in this market.

REMEMBER:

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

Current Signs of Market Strength

- **The market went into UPTREND on Thursday** with a single, strong Follow-through day on the S&P500. The index rose 2.3% with volume +7.6%.
- **The S&P500 is up 21.0% from the 3/23 low. The Nasdaq is up 19.0%.**
- The recent concentration of distribution days have mostly faded into the past. The market has reversed upward with **ONLY 1 distribution day** and 1 accumulation day in the last 8 days.
- **Monday's Major Accumulation day is strong confirmation of the new Uptrend**, but NOT a guarantee.

Current Signs of Market Weakness

- Only the S&P500 had a Follow-through day on Thursday. **The Nasdaq did NOT have a Follow-Through day on Thursday** because the volume did not kick in! (e.g. the Nasdaq volume dropped on Thursday.) You could call Monday the Nasdaq's F-T day
- The Nasdaq and S&P500 continue **living below their 50-day and 200-day moving averages.**
- **The major indexes (Nasdaq, S&P500 and DJIA) have lowest Distribution ratings of D- or E indicating wide spread selling.** (This rating is slow to turn around.)
- The market feels like the "Wild West" – unpredictable, highly volatile. **Avoid the "showdown" by exiting any losing stocks.**
- **Only one stock is on the Sector Leader list – Netflix.** If this market is strong enough to go back into Uptrend, where are all the leading stocks? (They were sold off quite hard in the last Downtrend.

- Last week, IBD pointed out “...all of the S&P 500's top percentage gainers hailed from the beaten-down oil patch. In the early stages of a new bull market, the strongest leadership tends to come from stocks breaking out of well-formed [bases](#) — not stocks near 52-week lows...” .[like those oil stocks.]
- On this Follow-Through day (Thursday 4/2), only 3 leader stocks rose with higher volume, while 5 leader stocks dropped on higher volume. That's backwards from a powerful Follow-Through day.

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

Even in a Downtrend, you can hold a winning stock as long as it holds its gains. (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.

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

CALL ME IF YOU ARE STUCK! Charlotte – 214-995-6702
I’m just hanging around the house!

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!

MARKET ACTION 2020 YEAR-TO-DATE				
4/7/20	2019 Closing Price	Current Price	Index % Change Year-to-Date	Year-to-Date
Nasdaq	8972.61	7887.26	-12.1%	
S&P 500	3230.78	2659.41	-17.7%	
DJIA	28538.44	22653.86	-20.6%	

PLEASE UNDERSTAND: BUY & HOLD IS NOT A STRONG INVESTING STRATEGY.

Imagine the difference in returns if you could just wait in cash as the market falls and get back in as it starts back up! It isn’t necessary to get out at the top or in at the bottom. But stepping out of the market somewhere *near the top* and getting back in *near the bottom* has had a HUGE IMPACT on my portfolio.

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		4/7/2020	
Type of Day for <u>Nasdaq Index</u> Accumulation, Distribution or Neither		Minor distribution	
I track the <u>Nasdaq's</u> price-volume because it usually leads the market direction.			
Market Direction Uptrend, Under Pressure, Downtrend		Uptrend (but tenuous)	
<u>Nasdaq Accumulation & Distribution Days (last 20 days)</u> Only accumulation and distribution days since the last market direction change are in this count.		Accumulation Days 2	Distribution Days 5
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 4	Down Days 6
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		0.9	
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 E	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	3/11/20	7952.05	-4.7%	-2.3%	12	—	UPTREND*
19	3/12/20	7288.63	-8.3%	+19.6%	13	Major Distribution	DOWNTREND
18	3/13/20	7874.88	+9.4%	-8.9%	14	—	DOWNTREND
17	3/16/20	6904.59	-12.3%	-3.4%	15	—	UPTREND
16	3/17/20	7334.78	+6.2%	+7.6%	16	Major Accumulation	UPTREND
15	3/18/20	6989.84	-4.7%	+0.24%	17	Major Distribution	DOWNTREND
14	3/19/20	7150.58	+2.3%	-4.1%	18	—	DOWNTREND
13	3/20/20	6879.52	-3.8%	+3.2%	19	Major Distribution	DOWNTREND
12	3/23/20	6860.67	-0.3%	-11.7%	20	—	UPTREND0
11	3/24/20	7417.86	+8.1%	+0.9%	21	Major Accumulation	UPTREND
10	3/25/20	7384.30	-0.5%	-1.8%	22	—	UPTREND
9	3/26/20	7797.54	+5.6%	-14.5%	23	—	DOWNTREND
8	3/27/20	7502.38	-3.8%	-1.6%	24	—	UPTREND
7	3/30/20	7774.15	+3.6%	-2.4%	25	—	DOWNTREND
6	3/31/20	7700.10	-1.0%	+2.0%	26	Major Distribution	DOWNTREND
5	4/1/20	7360.58	-4.4%	-10.0%	27	—	UPTREND
4	4/2/20	7487.31	+1.7%	-2.4%	1*	—	DOWNTREND
3	4/3/20	7373.08	-1.5%	-1.5%	2	—	UPTREND
2	4/6/20	7913.24	+7.3%	+8.3%	3	—	UPTREND
1	4/7/20	7887.26	-0.3%	+8.9%	4	Minor distribution	DOWNTREND

*April 2nd's Follow-through day signaled a move into Uptrend but only by the S&P500. Single index indicators of a new Uptrend are not as strong as when both F-T. Two days later, the Nasdaq also had a F-T signal on 4/6 adding to the positive factors for a new Uptrend.

On a rising day with lower volume (see 3/13 and 3/26 for example), the lower volume says the market isn't supportive of the rise in price. Thus, the right-most column labeled the day "DOWNTREND" which means the price-volume action was consistent with a market Downtrend.

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 online.
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.

A BULLISH BUYING PATTERN EMERGES IN ACCUMULATION/DISTRIBUTION TABLE:

A week ago (3/20):

- 15% of stocks were being had “B” ratings (being bought) or “C” ratings (neutral).

Last week (ending on 4/3)

- “B” and “C” rated stocks jumped to 31% indicating serious buying.
- Why did “A” stocks not rise? This small but elite group of best stocks (having strong fundamentals including strong, growing earnings) have continued to be bought and held (not sold off).

PROGRESS IN ACCUMULATION/DISTRIBUTION RATINGS							
		A	B	C	D	E	As + Bs
4 weeks ago	3/10	4%	9%	10%	25%	53%	13%
3 weeks ago	3/17	2%	5%	7%	22%	64%	7%
2 weeks ago	3/24	2%	6%	8%	22%	62%	8%
1 week ago	3/31	2%	16%	16%	29%	37%	18%
Today	4/7	3%	17%	19%	30%	31%	20%
	# stocks in each rating:	187	1029	1136	1793	1884	6029
Stocks with an A rating are under accumulation (being bought.)).							

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**.

WHAT HAPPENED IN LAST WEEK'S MARKET ACTION:

IMPORTANT: >>> Scan across the volume over the last four weeks on a daily chart. You will see almost all the tall volume bars (sticking up above their neighbors) are RED, showing higher volume on down days. Thus, the "E" distribution ratings on the Nasdaq, S&P500, NYSE and DJIA.

Conclusion: HOW TO SEE DISTRIBUTION ON 2-COLOR CHARTS!

Distribution action is easiest to see when you are on a chart with two color volume lines, usually red for falling price days and green (or blue) for rising days. The fastest way to get a sense of the accumulation/distribution going on in a stock or index is to swing your eyes across the volume bars – noting the color of the highest bars - the red volume bar indicates the price dropped that day. The taller bar indicates the volume was higher.

Last Week in Review (final IBD numbers)						
	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	FOR THE WEEK:
	3/30	3/31	3/25	4/2	4/3	
Nasdaq	+3.6%	-1.0%	-4.4%	+1.7%	-1.5%	-1.7%
Volume	-2.4%	+2.0%	-10.0%	-2.4%	-10.3%	

Note the pattern of higher volume DOWN days with lower volume UP days continued Monday through Thursday, but after Thursday's Follow-through day, both price and volume receded.

Over the last four weeks, you will see almost all the volume bars that are sticking up above their neighbors are RED showing higher volume down days. This analysis is easier on a chart with two color volume lines, red for rising price days and green (or blue) for rising days.

LAST WEEK'S SUMMARY MARKET ACTION				
4/3/20	Weekly Index % Change	Weekly Volume % Change	Volume Above/ Below 10-week Avg	Type of Week
Nasdaq	-1.7%	-14.6%	+11.0%	Neither
S&P 500	-2.1%	S&P 500 Volume		Neither
DJIA	-2.7%	-17.5%	+19.0%	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 Tuesday 4/7/2020)
New Uptrend Thursday as indexes rise but volume is weak.
Watch the new Uptrend – will it hold or fail?



NASDAQ Weekly 1 year chart, (updated Friday 4/3/2020)
Downtrend reverses: Indexes rise but volume is weak.



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

S&P500 Daily 4 month chart, (updated Tuesday 4/7/2020)

New Uptrend on Thursday's rise but Volume barely higher.

Watch the new Uptrend – will it hold or fail?



S&P500 Weekly 1 year chart, (updated Friday 4/3/2020)

Downtrend reverses: Indexes rise but volume is weak.



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%

A **Major Accumulation Day**: Price RISES at least 1.0% or more with higher Volume than prior day.

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).

A **Major Distribution Day**: Price FALLS at least 1.0% or more with higher Volume than the day before.

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).

If the day's price/volume action does not meet the accumulation or distribution definitions above, it is a "**Neither**" day.

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.

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 and one on-demand **ONLINE** class. Visit a class as my guest

- [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 north Dallas.
- 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.
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 to no more than 3 guests at each session to ensure the paid subscribers receive full value.