Perspective: Zig Zag Anxiety, Prudence, New Server & Pubs Page

Oct 03, 2016

Dear Scott,

Zig Zag Market Anxiety
The market's recent stagnant humdrum has transformed into serious zig zag anxiety. While the market has reacted quite strongly to each day's good news or bad news, the following day has regularly been met with a reversal of similar strength. Even as I write this article, Friday's fortunes are likewise being reversed. In view of StormGuard-Armor's underlying indicators, it appears there is an increasingly aggressive tug-of-war being waged between the optimistic Value-Sentiment investors (new highs and lows) and the pessimistic Market-Momentum investors (high volume institutions) who are willing to take some money off the table at current prices.

Although the factors weighing on the market outlined in the August and September Newsletters have not changed, the dynamics of the election cycle may be the most important market driver through the election according to Tom McClellan, editor of The McClellan Market Report. This morning he reported on CNBC that "the path of Dow Jones Industrial Average holds clues for what the presidential election poll numbers are going to do" and says "they have predicted the outcome of the past four presidential elections. If we have an up market, that tends to benefit the incumbent party. If we have a down market ... that shows dissatisfaction with the current life state and that tends to favor the challenger party."

We'll Have a Fast New Server Soon!
In about a week we will be switching the entire system over to a speedy new server that will significantly improve response time when user traffic is high, during nightly processing, and when the system is executing burdensome utilities (such as the Strategy Hall of Fame). A few hours before we start the transfer, we will post a prominent message on a few of the important pages. At the scheduled time, the database holding all strategy and account information will be frozen and file transfer to the new server will begin. Pages that require login will cease to function at that time, but the rest of the site will appear normal. When the database transfer is complete and appears functional, we must then submit a request to register an update for our domain name's new IP address so that all Internet routers can properly connect your request for SumGrowth.com to our new server. Although the request will likely be executed in minutes, they always warn that it could take hours. If we are smart (and lucky) most subscribers won't know anything has happened - it will just start working better and faster. Wooo Hooo!
New Publications Archive Page
All forty four prior Perspective Newsletters, nine Meetup videos, and a handful of other documents are now finally posted online for easy reference. From the top menu, simply click About Us, then click Publications on the second level menu on the far right.

Satisfying the Prudent Man: Quantifying Risk per Regulators (November 8th Meetup Topic)
Although investment risk decisions made by professionals with fiduciary responsibility are aggressively examined and judged by regulators, strikingly absent from the Financial Industry Regulatory Authority (FINRA) Rules, the Employee Retirement Income Security Act of 1974 (ERISA), the Securities and Exchange Commission (SEC) Investment Advisors Act, and the Uniform Prudent Investor Act (UPIA) is any numerical or verbal definition of risk, or any guidance for determining how much diversification is sufficient. Fortunately, long-standing portfolio risk category definitions used by respected industry leaders have stood the test of time with regulators, and thus together form the basis for consensus definitions of conservative, moderate, and aggressive. The risk statistics of these accepted standard portfolios can then be measured and used as reference standards for assessing the risk of any other investment strategy or portfolio.

We will review the process for creating the reference standards and then examine how Robo Advisors and SectorSurfer stack up against them.. See Details.

Speaking Engagement Calendar.
Please come and see one of these seminar presentations if you are in the neighborhood. Alternatively, ask your AAII Chapter or Investment Group leader to schedule a presentation. Live Webinar presentations for smaller investment clubs and groups are welcomed.

Seminar Titles: "True Sector Rotation Made Practical, and Addressing the 7 Faces of Risk"
This is a fast-paced detailed seminar that will cover SectorSurfer basics, Forward Walk Progressive Tuning, Strategy-of-Strategies, and how to make Low Drawdown Portfolios.

• Seattle, WA: Momentum Investing Meetup Group - Nov, 8 at 7:00 PM - Streamed Live
• Phoenix, AZ: AAII Chapter - October 15, 2016 9:00 AM

Surf Well and Prosper,
Additional Resources

The SectorSurfer Live Forum provides Internet-streamed access to the Seattle SectorSurfers Momentum Investing Meetup Group so everyone can attend the presentations and discussions hosted by Chief SectorSurfer. Click HERE

The SectorSurfer Users Group is an online Google Groups Forum created by Joe Gruender of San Jose, CA to provide a platform for exchanging strategies, ideas and learning from the experience of other SectorSurfers. Click HERE

Bryan Sullivan founded AlphaDroid Strategies to provide True Sector Rotation and StormGuard technology to financial advisors in a framework that helps them manage high performance portfolios for their clients. Click HERE