Dear Scott,

**The First Market Bounce?**
You may recall the article in September's newsletter about the nature of a typical rebound following a selloff — such as those experienced in August 2012 and August 2015. The recovery pattern observed in October on the S&P500 chart (right) aligned well with prior patterns. The question on the table now is whether or not the market is in the process of doing the same thing all over again. Mark Twain once astutely remarked "History does not repeat itself, but it does rhyme."

The selloff in January took the market down to retest the lows of last August. Even though no underlying economic principle drives such retests, a sufficient number of traders believing it must occur before the market can move higher can create a self fulfilling prophesy to make it true. Interestingly, many traders currently believe the market must further retest the recent January lows before heading higher (or perhaps lower). While watching this play out can be stressful, a bit of comfort may be provided by understanding that retesting is often a required rite of passage before markets move higher. However, should this turn out to be more like January 2008 than August 2011, we will all be glad that StormGuard has our back.

**Chart Statistics Now Match the Selected Time Span.**
Sectorsurfer chart statistics were previously based solely on the entire history length of the Strategy. When selecting a different time span, none of the numerical statistics in the chart's center-left portion or its sub-charts along the bottom changed with the time span. Many subscribers expressed a strong interest in (a) viewing statistics over shorter time spans, and (b) setting the Flex Chart Date for all Strategies identically so Strategies could be compared apples-to-apples regardless of their differing histories. We delivered.

The "Animated Statistics Chart" (right) demonstrates how it works. When selecting a chart's time-span button, the corresponding set of statistics for that time span is then displayed both numerically and graphically. In the example chart, the Flex Chart Date had been set to "BornOn" and printed on the top-most time-span button. When clicked, the sub-charts and numerical statistics will be updated to reflect only data from the BornOn Date forward.

To keep the statistics reasonably relevant, measurements will always be made over a period of at least three years, even if the specified time span is less than three years. Additionally, the normally blue text indicating the statistics measurement period will turn red if the
measurement period begins after January 2008, thus not including at least one market crash.

A corresponding change to the downloadable spreadsheet will be completed soon, which will be updated to show numerous statistics, in table format, over these five periods: All-Yrs, 20-Yrs, 10-Yrs, BornOn Date, and the Flex Chart Date. New in the statistics lineup is CAGR (Compound Annual Growth Rate), which is the same as our usage of the term "Annualized Return."

**Meetup Group: Using Advanced Bear Market Strategies.**
The StormGuard feature of SectorSurfer just got a very important upgrade. Now you can choose your own Bear Market Symbol for StormGuard to use when the markets head seriously south. We will examine its use with a variety of long-term treasury ETFs and with complex bear market Strategies you can create in your own account. Join us! [Streamed live from Seattle](https://www.meetup.com/Seattle-Bear-Market-Strategies/events/499061082/)

**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. Webex presentations for smaller investment clubs and groups are welcomed.

**Seminar Title:** True Sector Rotation: Breaking Through the Efficient Frontier.
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:** Streamed Advanced Meetup Group - Wed, Feb. 3, 7:00 PM - Streamed Live
- **San Jose, CA:** SectorSurfer User's Group - Tues, March 22, 2016
- Detroit, MI: AAII Chapter - May 11, 2016
- Sacramento, CA: AAII Chapter - September 20, 2016
- Phoenix, AZ: AAII Chapter - October 15, 2016

Surf Well and Prosper,

![Scott Juds](https://www.sumgrowth.com/sjuds.jpg)

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**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](https://www.seattlesectorsurfers.com)
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

Investment professional Richard Erkes created SectorSurfer University to provide everyone the opportunity to learn how to use SectorSurfer to improve investment portfolio performance while simultaneously reducing investment costs. 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