

MARKET TREND AUGUST 2014 ISSUE



**** Reports are similar to that of the FED minutes. Only minor changes to the outlook take place each month along with updated charts.*

S&P 500 Monthly Chart – BIG PICTURE

INNER-Analysis now points to lower prices for stocks. Trend is down.

Expect a 3-12 week correction/choppy market.

This is not a bear market, just a correction within the bull market at this point.

The SP500 index (US Stock Market) has reversed its intermediate trend and is now in a down trend. We are likely starting a multi month topping phase which is normal always happens before a bear market can start.

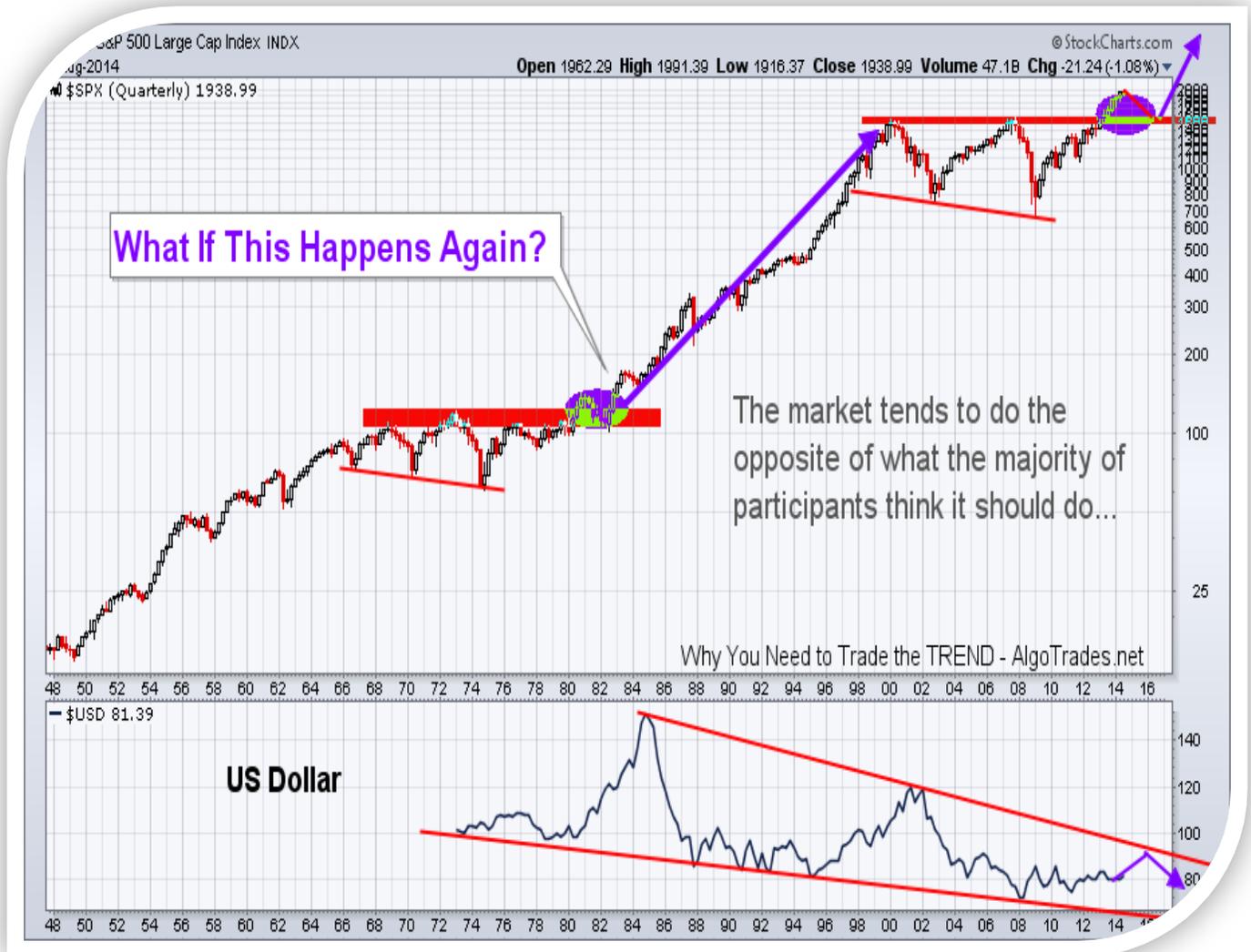
The major trend line must be broken in a big way on the chart below before a full blown bear market will be confirmed and this is still months away. INNER-Market Analysis will get us positioned earlier than the average investor and allow us to profit from falling prices.

Long term stock investments can continue to be held at this point. Tightening your stops and reducing position size for new trades is not a bad idea. Speculative and momentum stocks are starting to roll over and so I would stay away from them. Large cap stocks will be more in favor when the selling starts. We are starting to see divergence on the chart below and this tends to be an early warning of a stage three top.



S&P 500 Quarterly Chart – BIGGER PICTURE

This chart I feel provides a really great perspective on the overall market trends and price patterns. This is the 70 year prospective. I hope something like this unfolds. It will be a dream comes true for baby boomers and retirees. Rising equities and interest rates will bring back the golden years.



Economic & Stock Market Cycles:

Typically commodities perform well in the late stages of a bull market which is where the US market feels it's at within the cycle.

In the last couple months we have seen money move towards the safer investments. Utilities have performed very well, and so has the energy sector. Precious metals on the other hand are still trying to find a bottom. This month may be a big turning point for metals and miners though. Money is flowing in to these investments again!

Listen to Kerry Lutz interview from August 4th: [Click Here](#)

Chris Vermeulen Market Correction Underway?



Chris Vermeulen of *TheGoldandOldGuy.com* is an expert at detecting market short and medium term trends. He believes that all signs are pointing to an

intermediate stock market correction and he thinks it's an excellent time to make money. But you've got to be on the ball. Precious metals could be heading lower. Same with oil and commodities. But Chris is unconcerned. As long as the market is moving and he's picked up on the trend, he's happy.

 [Click Here to Listen to the Audio](#)

Canadian Equities Market: Continues to Rise

The TSX Composite is resource-weighted and this market has lagged its counterparts around the world in the last year. This means it is time for Canada to play catch-up.

These equities may hold up well when the US market starts to correct. This is because the TSX's is heavily weighted in late-cycle stocks (resources), it's not unusual for the Canadian market to lag in the early stages of a bull market in the USA, catch up in the late stages, and then outperform toward the end. This appears to be happening now.



The Risk-Off Trade Is Slowly Unfolding

Comparing stocks, gold and bonds, each look as though they are changing trends.

Most of my timing and trading is based around what I call INNER-Market Analysis (Market Stages, Cycles, Momentum and Sentiment). With these data points I can diagnose the overall health of the market in a simple and logical process. By knowing the overall strength of the market we can forecast short term trend reversals as they happen with a high degree of accuracy.

Investors fear is slowly rising and money is rotating out of stocks. The market continues to rise, but on like volume. The Risk-Off assets like gold and bonds are seeing high volume buying. Below is the updated chart showing this rotation and my original analysis from January 2014.



INNER-Investor Monthly Conclusion:

The month of July was everything an investor could have asked for and AlgoTrades clients made some big money. Investors pocketed over \$4,500 in gains in July, which is a 12.85% return on our investment for those who invested the minimum amount of \$35,000.

Investors didn't have to lift a finger because this is an automated investing system that executes the trades directly in their brokerage account. No stress, no trading discipline required...

The SP500 chopped around for most of the month and closed down 1.6% on the month.

The truth about investing is that no one really knows what the market will do next. So all we can do is follow the market as closely as possible and invest with sound position and money management strategies. The better you are at identifying trend changes, spotting overbought and oversold market conditions, and can react to them, the more money one can make and this is exactly what the AlgoTrades system will do for you.



See My Live Brokerage Account Statement for July:

DORMAN TRADING L.L.C.
 141 W. JACKSON BLVD. SUITE 1900
 CHICAGO, IL 60604
 SUPPORT@DORMANTRADING.COM

ACCOUNT NUMBER: D 13001
 STATEMENT DATE: JUL 31, 2014

CHRISTOPHER (CHRIS) VERMEULEN ← **Founder of AlgoTrades Account**
 107 FRASER CRES E/S
 BLUE MOUNTAINS ON L9Y 0M8

MONTHLY STATEMENT

Commissions & Losing Trade

Winning Trade Profits

***** YOUR ACTIVITY THIS MONTH *****									
DATE	AT	BUY/LONG	SELL/SHORT	DESCRIPTION	EX	LEGEND/PRICE	CC	DEBIT	CREDIT
7/03/4	F1	2	2	SEP 14 EMINI S&P 500	16	P&L US			3,875.00
7/03/4	F1		2	GLOBEX	16	FEE/COMM US		18.62	
7/08/4	F1	2		SEP 14 EMINI S&P 500	16	FEE/COMM US		18.62	
7/14/4	F1	2	2	SEP 14 EMINI S&P 500	16	P&L US			1,050.00
7/14/4	F1		2	GLOBEX	16	FEE/COMM US		18.62	
7/17/4	F1	4		SEP 14 EMINI S&P 500	16	FEE/COMM US		37.24	
7/18/4	F1	2	2	SEP 14 EMINI S&P 500	16	P&L US			1,000.00
7/18/4	F1		2	GLOBEX	16	FEE/COMM US		18.62	
7/24/4	F1	2	2	SEP 14 EMINI S&P 500	16	P&L US			2,425.00
7/24/4	F1		2	GLOBEX	16	FEE/COMM US		18.62	
7/28/4	F1	2	2	SEP 14 EMINI S&P 500	16	P&L US			1,050.00
7/28/4	F1		2	GLOBEX	16	FEE/COMM US		37.24	
7/29/4	F1	2	2	SEP 14 EMINI S&P 500	16	P&L US		100.00	
7/29/4	F1		2	GLOBEX	16	FEE/COMM US		37.24	

BEGINNING BALANCE	**US DOLLAR REG **
THIS MONTH'S ACTIVITY	
ENDING BALANCE	
NET FUTURES P&L	
ACCOUNT VALUE AT MARKET	
CONVERTED MARKET VALUE	
TOTAL COMMISSIONS	110.00-
TOTAL CLEARING FEES	8.80-
TOTAL EXCHANGE FEES	16.50-
TOTAL NFA FEES	.44-
TOTAL OTHER FEES	69.08-
TRADE DATE BALANCE	

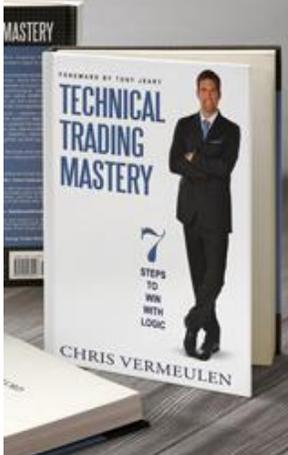
July's AlgoTrades Live Brokerage Statement Results:
\$9,095.18

*Important Note: Chris Vermeulen trades the AlgoTrades system 2x in this account. Some clients are only trading it 1x, others at 24x the system.

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Since making my automated investing system available to clients in March our **clients have generated \$10,417 in profit in their live brokerage account.**

Just to be clear, we are not yet in a bear market. But our analysis shows the US stock market is likely starting a major stage 3 topping pattern. This will likely take months to unfold as all bull market tops do. And during this process it is going to be very difficult for the average investor involved in the stock market to make money.

It is this type of market condition where the AlgoTrades System excels at a seen from July's trading statement.

If you have not yet read my book, I highly recommend you do this as it walks you through the key indicators/analysis I use which powers the AlgoTrades trading system.

Talk Soon and Have a Great Month!

Sincerely,
Chris Vermeulen
www.AlgoTrades.net

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