

## JUNE 2015 ISSUE

This report is similar to that of the FED minutes.  
Only minor changes take place each month.

Most CTA's (commodity trading advisors) and hedge funds had poor performance in 2014, and 2015 thus far has also been tough to trade. The second half of 2015 looks as though it will provide a stream of opportunities based on our market analysis. Price action will be very different from what we have seen over the past 8 months so prepare for action.

Take a look at last year's top performing hedge funds:

**As Bloomberg reminds us,** "hedge funds as a group had a horrendous 2014, with an average return of just 1.6 percent among the 2,400 funds that make up the Bloomberg Global Aggregate Hedge Fund Index." Last year AlgoTrades performed well and the second half of 2015 should be an exciting one for clients.

# 100 TOP-PERFORMING LARGE HEDGE FUNDS

Fund, Manager(s)	Management Firm, Location	Strategy	ASSETS, IN BILLIONS	2014 RETURN*	2013 RETURN
1 <b>Pershing Square International</b> , <i>Bill Ackman</i>	Pershing Square Capital Mgmt., U.S.	Activist	\$6.1	32.8%	9.3%
2 <b>Quantedge Global</b> , <i>Team managed</i>	Quantedge Capital, Singapore	Quantitative	1.0	32.3	9.2
3 <b>STS Partners</b> , <i>Michael Craig-Scheckman, Scott Burg</i>	Deer Park Road, U.S.	Asset backed	1.3	23.9	25.6
4 <b>Hildene Opportunities</b> , <i>Brett Jefferson</i>	Hildene Capital Mgmt., U.S.	Structured credit	1.3	23.6	35.3
5 <b>AHL Diversified</b> , <i>Tim Wang, Matthew Sargaison</i>	AHL Partners, U.K.	Managed futures	4.4	21.1	-3.1
6 <b>MBS Agency</b> , <i>William Mok</i>	Structured Portfolio Mgmt., U.S.	Mortgage-backed	1.0	20.6	-9.1
7 <b>Citadel Tactical Trading</b> , <i>Team managed</i>	Citadel Advisors, U.S.	Multistrategy	2.3	19.7	12.0
8 <b>Stratus</b> , <i>Team managed</i>	Capital Fund Mgmt., France	Multistrategy			
9 <b>Citadel Global Equities</b> , <i>Team managed</i>	Citadel Advisors, U.S.	Market neutral			
10 <b>Dymon Asia Macro</b> , <i>Danny Yong</i>	Dymon Asia Capital, Singapore	Macro			
11 <b>Glenview Capital Opportunity</b> , <i>Larry Robbins</i>	Glenview Capital Mgmt., U.S.	Long/short	2.8	16.9	101.7
12 <b>Tiger Global</b> , <i>Feroz Dewan</i>	Tiger Global Mgmt., U.S.	Long/short	7.0	16.2	14.3

ALGOTRADES  
Had a return of  
16.2% in 2014  
before Fees

Includes only funds with \$1 billion or more in assets. \*As of Oct 31st. Source Bloomberg

## S&P 500 Monthly Chart – 7 Year Cycle

The SP500 index (US Stock Market) continues to be in and **Uptrend**.

The major trend line on the chart below must be broken in a big way before a full blown bear market will be confirmed. This is still months away at best so do not worry. The AlgoTrades INNER-Market Analysis will get us positioned when the time is right and enable us to profit as the stock market falls in value.

Your long term equity investments can continue to be held at this point. Speculative and momentum stocks (Russell 2K) continue to show weakness. Large cap stocks will likely be in favor as the safe haven “blue chip” stocks, but when the market is ready to roll over, all stocks will fall. The safe haven plays should be bonds, [Buy Gold & Silver Here](#), and inverse ETF funds.

I do fear a global economic collapse is possible which I talk about in my [new book](#). But at this time, we do not need to change our trading approach.

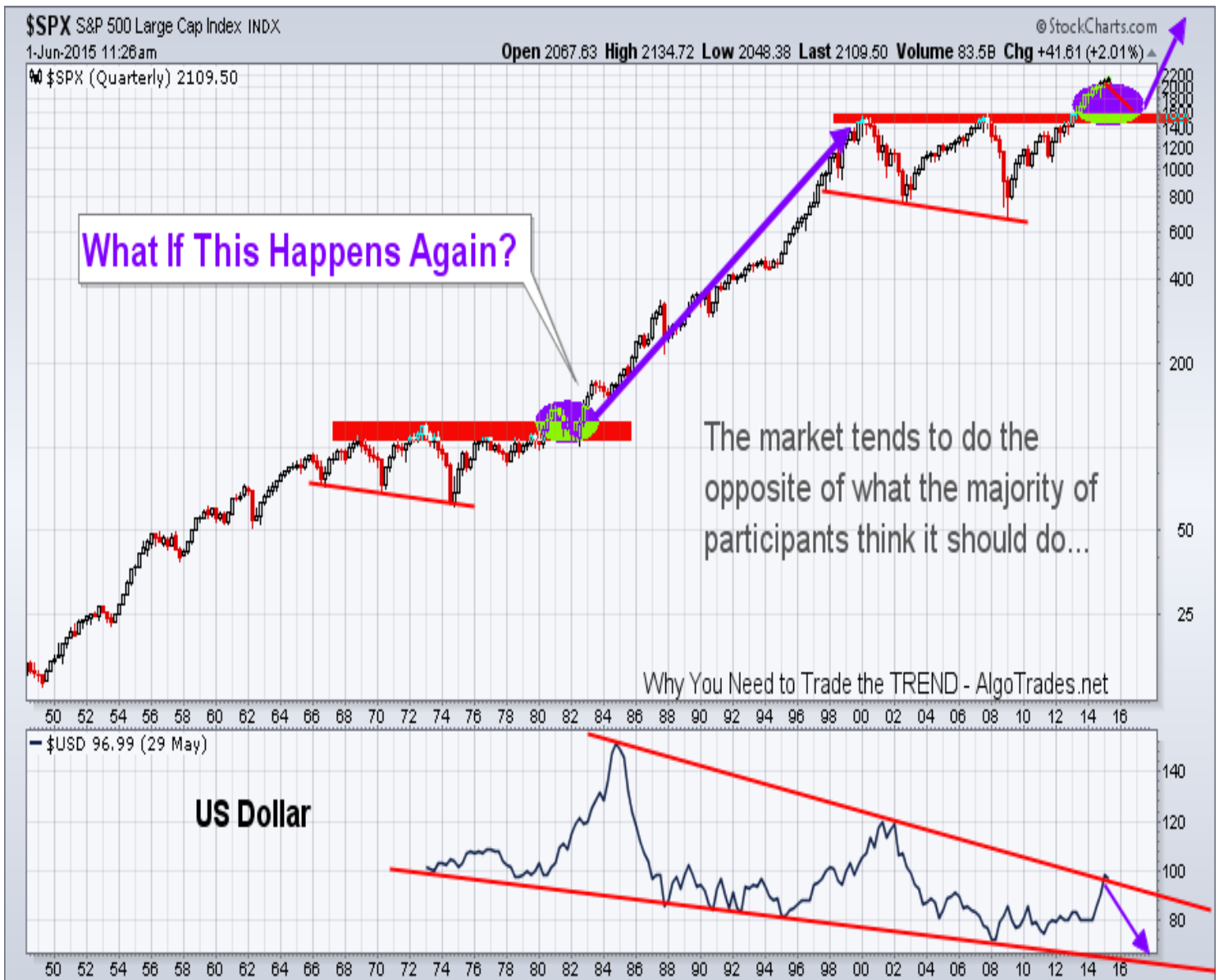
See Our Complete 7 Year Cycle Analysis: [CLICK HERE](#)



## S&P 500 Quarterly Chart – BIGGER PICTURE

This chart I feel provides a great perspective on the overall market trend and price patterns. This is the 70 year prospective. I hope something like this unfolds. Fingers crossed to a 12 month correction/bear market. This will build the new base for the next super cycle.

US Dollar has now reached the upper resistance trend line... we could see weakness in the dollar going forward... Keep in mind this is a quarterly chart, lower prices may still be 1-3 months away.



## The Risk-Off Trade Is Slowly Unfolding

The S&P 500 index is losing its momentum. Money has been rotating into Bonds and global markets for a year in anticipation of the stock market correcting.

The SP500 index has been trading almost sideways the over the last 6 months. It has not provided may trades for our automated index trading system (AlgoTrades) so we have had to focus on some other areas to find opportunities using ETF's.

Some recent winners have been long oil with UCO, long live cattle with COW, long Russia via RSX, long Japan with EWJ, and the Dollar index UUP. Those who follow my [ETF trade alerts newsletter](#) have avoided the recent chatter in the SP500 and profited. We also provide small cap stock trades with incredible success. See our [active stock trades](#).



## The Fear Index & Big Trend Analysis

The VIX index has been trading at low levels for a few years. This suggests that fear is low, complacency is high, and that SP500 is becoming vulnerable to a stock market correction.

In the chart below, I have placed the VIX index above the stocks trading above the 200 day moving average. As the number of stocks trading above the 200 day moving average falls it's telling us that fewer stocks are moving up in value while the broad market climbs. This is bearish.

This provides a great visual of how falling markets correlate with investor fears. While overall market breadth remains strong, a change in the VIX often provides an early warning sign of potential danger.





## Stock Market Rises with Fewer Stocks – **RED FLAG**

Since mid 2014 the US stock market has become more volatile. Fewer stocks participating in the markets move up. This can be seen by comparing the percent of stocks trading above their 200 day moving average and the S&P 500 index.

Once the stock market comes to a complete stall it will drop violently. While I am not calling a top yet, understand each month we are getting closer and I believe the stock market is in a stage 3 topping process.

An [analyst I trade with](#) talked about how the Dow Jones has been flat, yet investors think big profits are being made this year. But in reality we have not seen real gains in the broad market for months. More investors are bullish now than we have almost ever seen according to Investors Intelligence Survey with a whopping 57% of investors bullish on stocks.

He also talks about how US stocks have crazy evaluations, the highest compared to others. Infact we have not seen evaluations this high since 1929, and 1999 (just before the major stock market crashes).

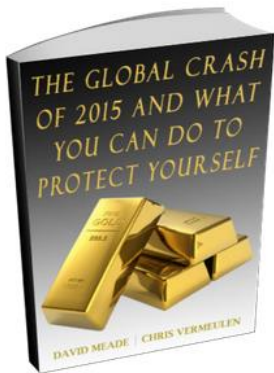


## INNER-Investor Monthly Conclusion:

The New York Stock Exchange, S&P 500, and Dow Jones have been forming a bearish rising wedge. This contraction of price action is building energy for a massive breakout which I expect will happen within the next month or two.

I'll be honest, the second half of 2014 and first portion of 2015 has been exceptionally tough to profit from. But the market's price action is about to change in a big way and trading will be highly fruitful once again.

2015 will provide great opportunities and AlgoTrades is a great way to add diversification to your portfolio. Also following our stock, and ETF trading newsletters will allow you to ride our coat tails and profit from market volatility during the next bear market.



### **A Sudden Collapse Is On The Way!**

It is more critical than ever in our history to hedge against an economic collapse, especially this year.

Seven experts from around the world agree with this impending collapse and you will have a once-in-a-lifetime opportunity to profit from chaos. **Digital Book Download:** [Click Here](#)

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### **If you are not part of the AlgoTrades program join today!**

Not yet read my book? I highly recommend you do this as it walks you through the key indicators/analysis used so you understand how the AlgoTrades system can make you money on auto-pilot.

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Sincerely,  
Chris Vermeulen