

WEEKEND BRIEFING

3/12/2017



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TREND ANALYSIS, AND CHARTS**

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WEEKEND BRIEFING

**Follow the Money's weekly market digest
containing trends, rankings, and musings**

Publisher: Jerry Robinson



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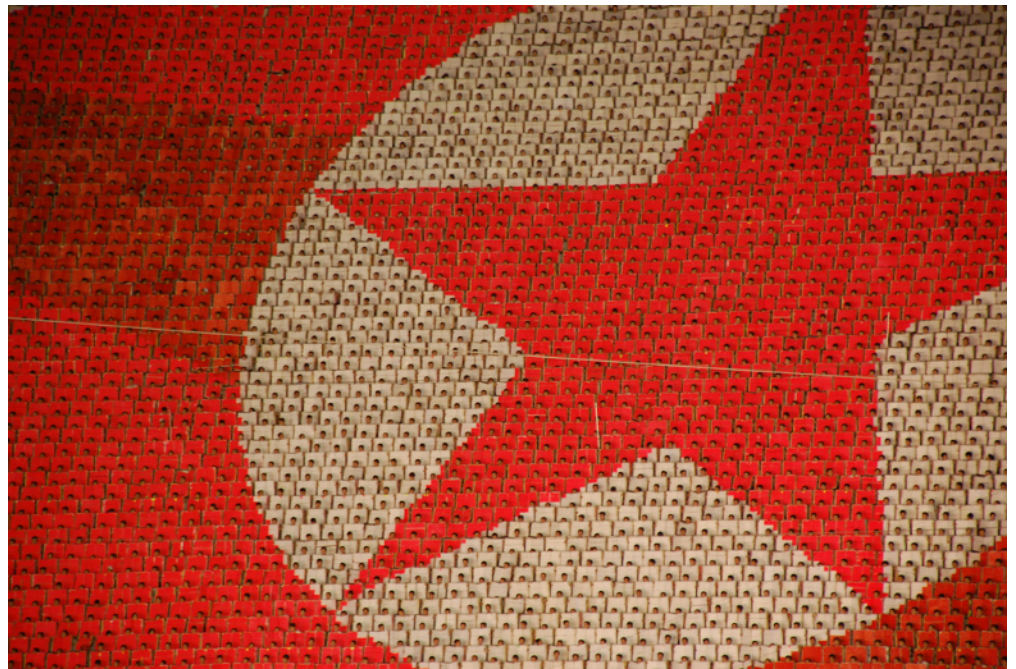
President Park Ousted



All eight justices of the Constitutional Court have upheld the impeachment of South Korean President Park Geun-hye. The **South Korean ETF (EWY)** bounced higher on the news. EWY has surged 7% since our uptrend alert on January 6.

However, East Asia is a powderkeg and remains on edge...

With the U.S. government in flux as a new and untested Presidential administration settles in -- and as South Korea is still reeling from a political crisis after the recent impeachment of President Park -- investors should exercise extreme caution with Asian stocks as tensions rise.



North Korea: In Focus

The U.S. military is on the move in 2017... Trump's generals are dismantling former plans and re-orienting military forces and resources towards **North Korea** and **Iran**. China's deep entanglement with North Korea and Russia's vested interests in Iran pose greater potential repercussions than past invasions into Iraq, Libya, and Yemen, where international interests were more muted.

U.S.-China tensions continue to rise at a rapid pace... Existing regional tensions surrounding China's bold claims to the South China Sea are now being aggravated by U.S. military movements in response to North Korea's recent nuclear tests. In particular, Beijing is protesting the ongoing deployment of the Terminal High Altitude Area Defense (THAAD) anti-missile system in South Korea. The Trump administration has also ordered nuclear-armed B-52 (and B-1) bombers to South Korea. Such aggression has China publicly rethinking its position on pre-emptive nuclear strikes. According to the **Global Times**, the Chinese government's mouthpiece media outlet:

"Beijing should make it clear to Washington that the THAAD deployment will definitely lead to China's increasing nuclear prowess. If the US further intensifies its anti-missile attempts and strategic containment, China may reconsider its pledge of not being the first to use nuclear weapons."

We have long warned of an inevitable conflict between the U.S. and China. It appears that this conflict may be closer than even we had expected. Remember, the Trump administration has already stated on numerous occasions that they will not announce military campaigns in advance. The element of surprise, however, is unnerving Beijing. As U.S. military forces engage in South Korea, Sec. of State Rex Tillerson is en route to Beijing, Seoul, and Tokyo this week for perhaps last-minute diplomacy. Without a compromise, a U.S. confrontation with North Korea appears imminent.

Be advised and stay tuned,

Jerry Robinson

U.S. Unemployment
Rate

4.7%

U.S. Inflation Rate

2.5%

U.S. Govt.
Debt/GDP Ratio

104%

U.S. Household
Debt/GDP Ratio

79%

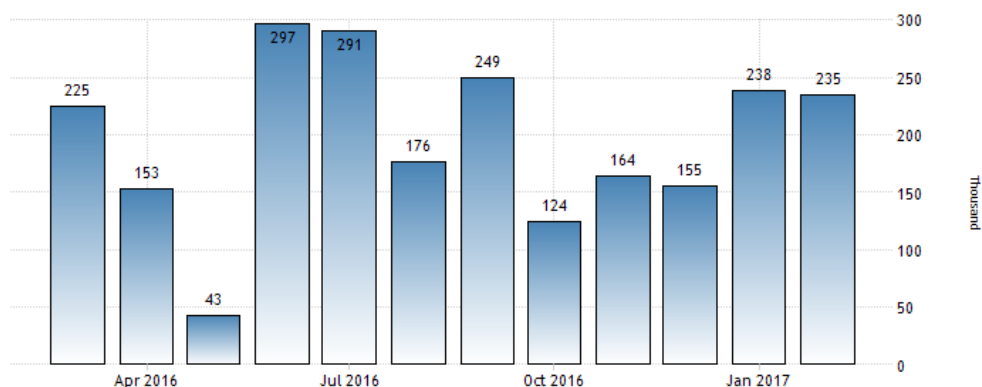
U.S. Personal
Savings Rate

5.5%

U.S. Home
Ownership Rate

64%

US NON FARM PAYROLLS



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Get Ready for FOMC Rate Hike

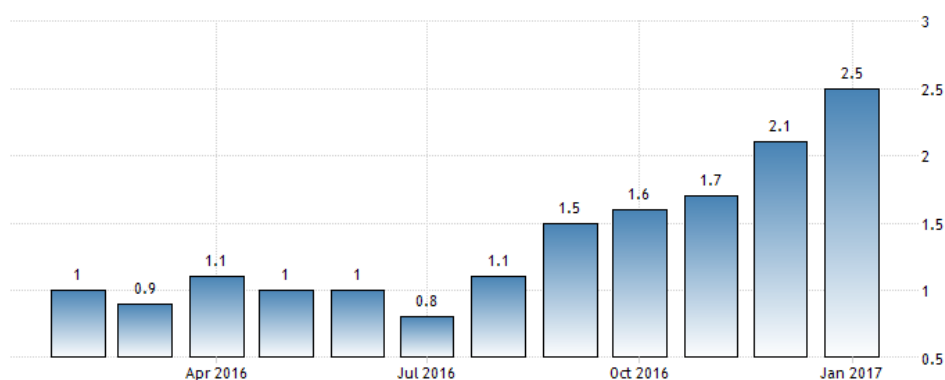
On Friday, the Federal Reserve got its last major economic data release before next week's closely watched FOMC meeting. U.S. "non-farm" (includes all payrolls except farm workers as well as employees of private households and non-profit organizations) payrolls rose by 235,000 in February of 2017, well above expectations of 190,000.

This, coupled with the current U.S. inflation rate at 2.5% (nearly a 5-year high), makes us well overdue for another rate hike.

Traders and investors should be ready for an announcement of at least a 25 basis point increase in the Federal Funds rate this Wednesday.

Anticipation of future rate hikes will likely continue to place upward pressure on the U.S. dollar, along with some near-term downward pressure on commodities, including gold.

US INFLATION RATE



SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

This week, I will be speaking with billionaire investor **Jim Rogers** and market commentator, **Peter Schiff** to get their take on what lies ahead. Look for those interviews to be released in the coming days.



**Tune into Follow the Money
radio to hear my conversation
with Jim Rogers and Peter
Schiff.**



MARKET BAROMETER

POSITION TREND: UP

LONG-TERM TREND: UP

Since 2007, our team has been analyzing the S&P 500 index, helping keep investors on the right side of the trend. Learn more online: <http://ftmdaily.com/gmc>

S&P 500 Index Chart: **\$2400 Resistance** / **\$2364 Support**

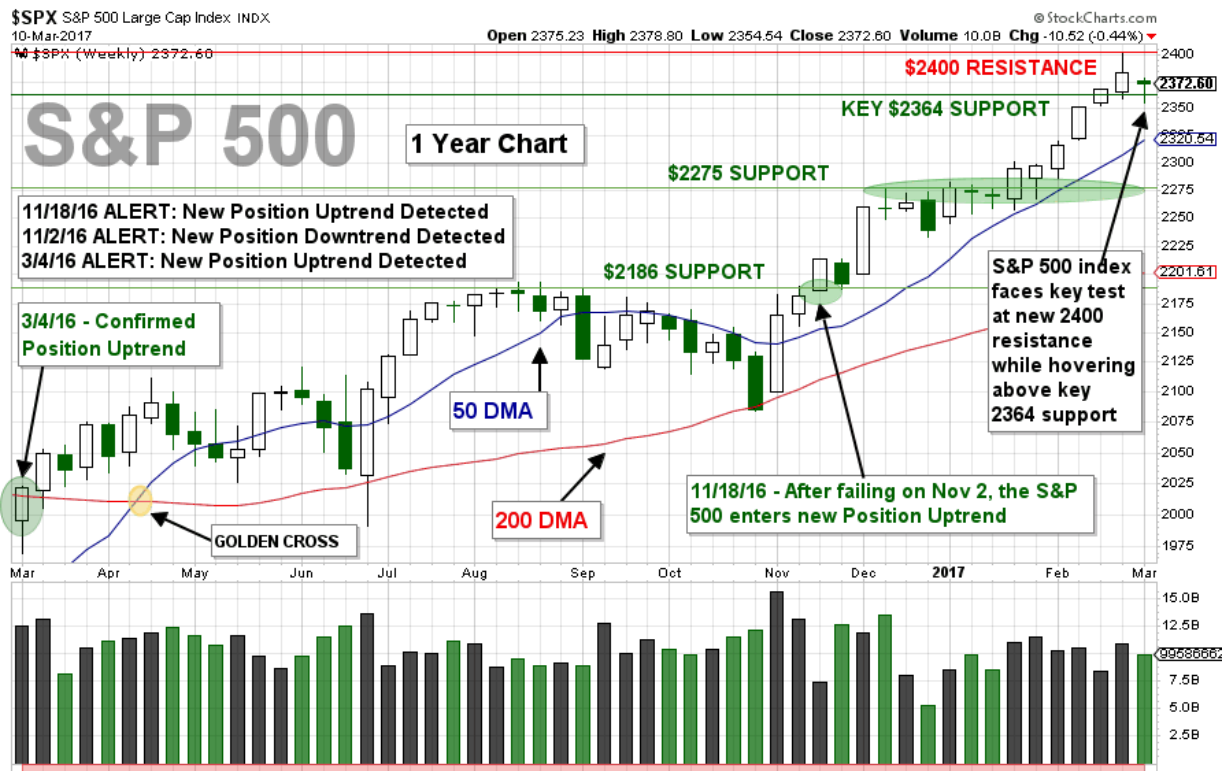


U.S. Stock Market Commentary

After six consecutive weeks of gains, the S&P 500 index finally had a losing week. Last week's cumulative price action provided a much needed breather amid a breathless rally ahead of the FOMC's March 15 interest rate decision. Virtually all economists and observers expect the Fed to raise interest rate targets next Wednesday.

The energy (XLE) and real estate (XLRE) sectors suffered sharp outflows this week while the healthcare (XLV) and technology (XLK) sectors managed to close the week out with small gains. While we expect volatility to raise its head later in the year, this market may still have more upside in the near-term. While no immediate danger appears, we are watching two key support levels at \$2364 and \$2275. While a break below \$2364 would be near-term bearish, a collapse through \$2275 support could bring out the bears.

S&P 500 - FULL TECHNICAL VIEW



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S&P 500 SECTOR RANKINGS (Sector Rotation Strategy)

ETF Name	Ticker	FTMDaily Sector Ranking	Change from Previous Week	Current Long-Term Trend
Technology Sector	XLK	1	+2	Uptrend
Financial Sector	XLF	2	0	Uptrend
Industrials Sector	XLI	3	-2	Uptrend
Consumer Discretionary Sector	XLY	4	0	Uptrend
Consumer Staples Sector	XLP	5	0	Uptrend
Healthcare Sector	XLV	6	+1	Uptrend
Basic Materials Sector	XLB	7	-1	Uptrend
Utilities Sector	XLU	8	0	Uptrend
Real Estate Sector	XLRE	9	0	Uptrend
Energy Sector	XLE	10	0	Uptrend

View the top ranked sectors for Swing Traders online at:
<http://ftmdaily.com/trading-research>

SECTORS - 5 DAY PERFORMANCE

SECTORS - YTD PERF

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S&P 500 SECTOR TRADES

ETF Name	Ticker	Date Purchased*	Price Purchased	Current Price	Gain/Loss
Technology Sector	XLK	3/4/2016	\$42.42	\$53.11	25.20%
Financial Sector	XLF	7/8/2016	\$18.42	\$24.79	34.58%
Industrials Sector	XLI	2/26/2016	\$52.45	\$65.84	25.53%
Consumer Discretionary Sector	XLY	3/4/2016	\$76.72	\$86.85	13.20%
Consumer Staples Sector	XLP	10/2/2015	\$47.84	\$55.05	15.07%
Healthcare Sector	XLV	11/11/2016	\$70.51	\$75.98	7.76%
Basic Materials Sector	XLB	3/4/2016	\$43.46	\$52.11	19.90%
Utilities Sector	XLU	12/18/2015	\$42.51	\$50.96	19.88%
Real Estate Sector	XLRE	9/2/2016	\$33.52	\$30.72	-8.35%
Energy Sector	XLE	3/4/2016	\$60.96	\$70.01	14.85%



We track and analyze more than 40 global stock markets to help investors profit from the international markets. Learn more online: <http://ftmdaily.com/etfreport>

Position Trend Update

ETF Name	Ticker	Current Position Trend	Date Purchased*	Price Purchased	Current Price	Gain/Loss
NEW TREND ALERTS MEMBERS ONLY						
Poland	EPOL	Uptrend	12/23/2016	\$17.93	\$21.23	18.40%
Netherlands	EWN	Uptrend	12/23/2016	\$24.06	\$26.66	10.81%
Spain	EWP	Uptrend	12/23/2016	\$26.39	\$29.05	10.08%
United States	SPY	Uptrend	11/18/2016	\$218.69	\$237.69	8.69%
Argentina**	ARGT	Uptrend	1/6/2017	\$24.30	\$26.41	8.68%
EURO STOXX 50	FEZ	Uptrend	12/9/2016	\$32.87	\$35.53	8.09%
Germany	EWG	Uptrend	12/9/2016	\$26.03	\$28.05	7.76%
South Korea	EWY	Uptrend	1/6/2017	\$54.42	\$58.36	7.24%
Norway	NORW	Uptrend	7/1/2016	\$10.51	\$11.26	7.14%
Sweden	EWD	Uptrend	12/9/2016	\$28.75	\$30.77	7.03%
Israel**	EIS	Uptrend	1/6/2017	\$47.23	\$50.72	7.39%
Australia	EWA	Uptrend	12/2/2016	\$20.67	\$22.05	6.68%
Brazil	EWZ	Uptrend	1/6/2017	\$34.77	\$37.12	6.76%
Gulf States	GULF	Uptrend	12/16/2016	\$16.70	\$17.78	6.47%
France	EWQ	Uptrend	12/9/2016	\$24.34	\$25.80	6.00%
India	INDY	Uptrend	1/27/2017	\$29.11	\$30.81	5.84%
Ireland	EIRL	Uptrend	1/6/2017	\$38.05	\$40.08	5.34%
Taiwan	EWT	Uptrend	12/2/2016	\$30.48	\$32.02	5.05%
Switzerland	EWL	Uptrend	1/6/2017	\$30.17	\$31.52	4.47%
Singapore	EWS	Uptrend	1/6/2017	\$21.39	\$22.33	4.39%
South Africa	EZA	Uptrend	1/6/2017	\$53.70	\$55.84	3.99%
Belgium	EWK	Uptrend	1/6/2017	\$17.84	\$18.46	3.48%
United Kingdom	EWU	Uptrend	12/30/2016	\$30.70	\$31.66	3.13%
Hong Kong	EWH	Uptrend	2/10/2017	\$21.26	\$21.78	2.45%
Chile	ECH	Uptrend	2/3/2017	\$40.16	\$40.55	0.97%
Thailand	THD	Uptrend	12/9/2016	\$72.88	\$73.49	0.84%
Italy	EWI	Uptrend	3/3/2017	\$24.43	\$24.68	1.02%
Canada	EWC	Uptrend	12/2/2016	\$26.23	\$26.53	1.14%
Mexico	EWX	Uptrend	3/3/2017	\$47.75	\$47.55	-0.42%

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The following ETFs trade commission-free on Etrade.com: **ARGT, GREK, NORW, DXJ, & GULF.**

*Date Purchased = Date of Purchase (for Uptrends) or Date of Short (for Downtrends)

**These ETFs have very low trading volume

Global ETF Highlights (For Position Traders)



Italy ETF (EWI) climbs 1% after Mar 3 uptrend alert. Expect price turbulence near key \$25 resistance area.



Belgium ETF (EWK) joins Eurozone rally after Jan 6 uptrend alert. Overhead resistance @ \$18.50-\$18.80.



Spain ETF (EWP) in big volume surge; now +10% since Dec. 23 uptrend alert. More upside likely.



Austria ETF (EWO) continues massive uptrend on fresh buying interest. More upside likely w/ breakout.



Mexico ETF (EWW) consolidates after Mar 3 uptrend alert w/ \$47.75 buy point. Key \$47 support area.



Russia ETF (RSX) rally ends. Locked in gains. Uptrend unconfirmed w/ solid \$19 support @ 200DMA



Netherlands ETF (EWN) jumps 11% since 12/23 buy alert @ \$24.02. New \$26.15 resistance turned support.



Peru ETF (EPU) collapses below 200 DMA. Uptrend over; locked in 50%+ gain. Waiting for next uptrend.



P.A.C.E. REPORT

Tracking the Trends in **P**recious Metals,
Agriculture, **C**ommodities, and **E**nergy

We analyze and update the P.A.C.E. Report every Friday to keep you on top of the latest commodity trends. Learn more online: <http://ftmdaily.com/pace>

Position Trend Update

ETF Name	Ticker	Current Position Trend	Date Purchased*	Price Purchased	Current Price	Gain/Loss
NEW TREND ALERTS MEMBERS ONLY						
Steel Producers**	SLX	Uptrend	2/22/2016	\$19.29	\$39.99	107.31%
Copper Miners**	COPX	Uptrend	2/22/2016	\$12.09	\$21.70	79.49%
Water**	FIW	Uptrend	2/19/2016	\$29.98	\$41.12	37.16%
Base Metals**	DBB	Uptrend	4/22/2016	\$13.10	\$15.94	21.68%
Agribusiness**	MOO	Uptrend	2/22/2016	\$44.27	\$53.62	21.12%
Cotton**	BAL	Uptrend	4/22/2016	\$42.31	\$51.00	20.54%
Copper	JJC	Uptrend	9/23/2016	\$25.05	\$29.64	18.32%
Uranium**	URA	Uptrend	12/9/2016	\$13.87	\$15.67	12.98%
Palladium**	PALL	Uptrend	11/11/2016	\$66.00	\$71.51	8.35%

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**Date Purchased = Date of Purchase (for Uptrends) or Date of Short (for Downtrends)*

***These ETFs have very low trading volume*

P.A.C.E. Notes

The recent pullback in commodities can only be partially blamed on the anticipation of an interest rate hike at the upcoming March 15 FOMC policy meeting. Higher U.S. interest rates boost buying interest in the U.S. dollar, which can place downward pressure on commodity prices. Higher interest rates, in turn, increase debt loads for those commodity stocks laden in debt. Regardless, massive institutional inflows into commodities like copper and oil have sent net-long positions by fund managers to **record highs** suggesting much more upside lies ahead. In the meantime, we will continue tracking the trends and alerting you to any new opportunities.

P.A.C.E. ETF Highlights (For Position Traders)



Gold Miners ETF (GDX) in confirmed downtrend with major \$21 support. Relief rally?



Rare Earth Metals ETF (REMX) collapses through \$18.60 support. Uptrend unconfirmed; \$18 support.



Uranium ETF (URA) battles to maintain uptrend after fierce pullback below key \$16 support level.



Natural Gas ETF (UNG) launches relief rally, as expected. \$6.50 support w/ near-term \$7.55 resistance.



Steel ETF (SLX) loses 7% this week on pullback to \$40 support level ahead of U.S. infrastructure plan.



Solar ETF (TAN) suffers low volume pullback after explosive buying interest. Uptrend unconfirmed.



Lithium ETF (LIT) clings to 50 DMA; restricted by descending triangle. Potential breakout above \$26.75.



Copper Miners ETF (COPX) suffers heavy outflows. Still +80% since our 2016 entry. Key \$20 support.

Gold Mining Still Deeply Undervalued to Gold

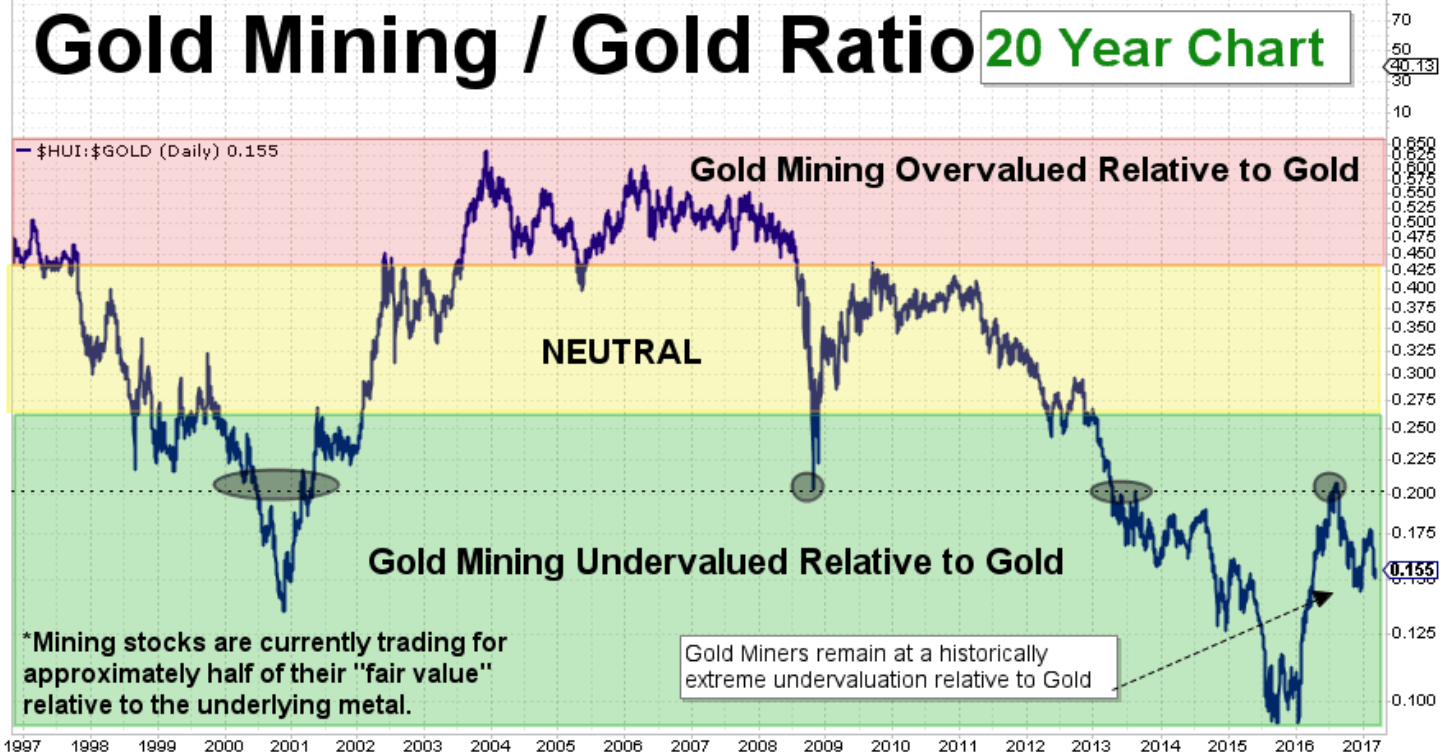
\$HUI:\$GOLD Gold Bugs Index - NYSE Arca/Gold - Continuous Contract (EOD) INDX/CME

10-Mar-2017

RSI(14) 40.13

Open 0.152 High 0.156 Low 0.151 Close 0.155 Chg +0.005 (+3.04%)

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This chart contributed by Stephen Penny (Pro Trader/Junior Trend Analyst)

U.S. Dollar Index Chart - Since 1990

\$USD US Dollar Index - Cash Settle (EOD) ICE

10-Mar-2017

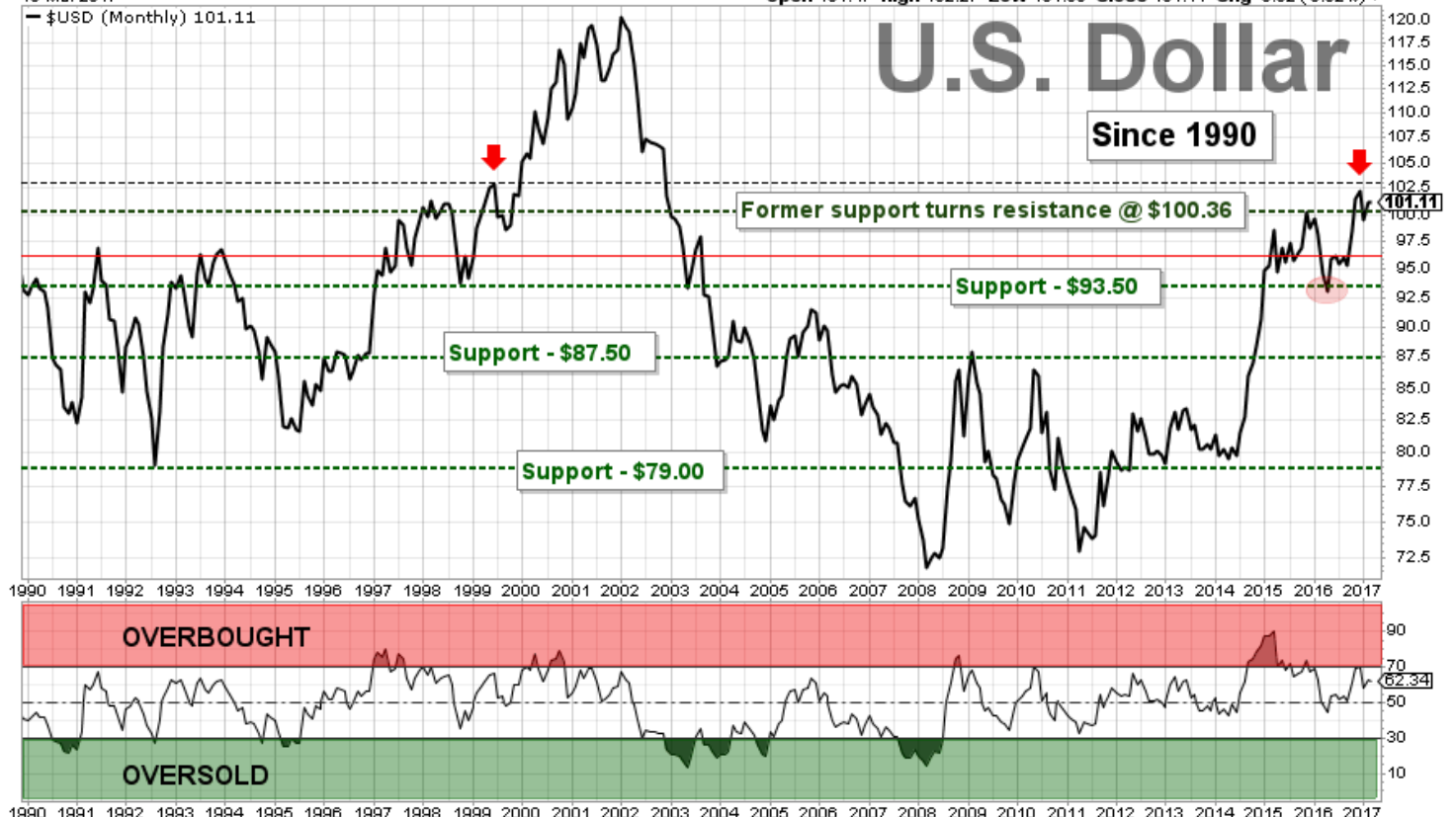
-\$USD (Monthly) 101.11

Open 101.47 High 102.27 Low 101.03 Close 101.11 Chg -0.02 (-0.02%)

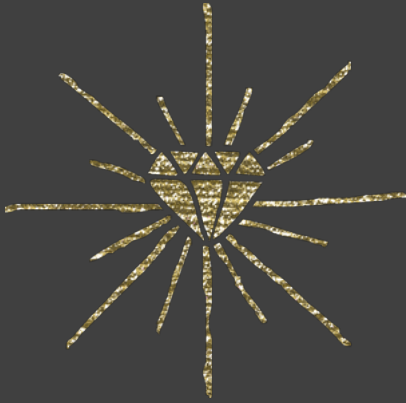
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U.S. Dollar

Since 1990



Top 35 U.S. Stocks by SmartScore Ranking (includes current average 12-month price targets)

Ticker	Company	Sector	SmartScore	Price	Price Target	YTD%
GET OUR TOP 35 "SMARTSCORE" RANKED U.S. STOCKS EACH WEEK MEMBERS ONLY 		Technology	1	138.68	143.86	20.25%
		Consumer Defensive	2	76.19	71.10	12.67%
		Consumer Cyclical	3	853.00	945.59	13.75%
		Technology	4	177.18	169.79	7.59%
		Technology	5	138.24	159.10	20.16%
		Industrials	6	189.90	187.12	7.03%
		Healthcare	7	45.63	47.57	19.56%
		Consumer Defensive	8	110.28	108.94	20.54%
		Basic Materials	9	63.54	67.50	11.05%
		Consumer Cyclical	10	56.36	61.91	10.88%
		Consumer Cyclical	11	128.14	133.45	6.05%
		Technology	12	291.27	310.48	35.71%
		Industrials	13	119.40	119.20	11.05%
		Financial Services	14	48.08	48.00	2.92%
		Consumer Cyclical	15	56.20	58.39	8.63%
		Consumer Cyclical	16	103.24	124.53	17.57%
		Industrials	17	59.28	61.52	7.13%
		Financial Services	18	57.84	54.11	0.44%
		Communication Services	19	84.80	85.33	-6.86%
		Consumer Cyclical	20	30.70	34.05	9.49%
		Financial Services	21	14.21	14.80	7.49%
		Industrials	22	147.25	162.56	3.14%
		Industrials	23	62.12	58.29	2.81%
		Consumer Defensive	24	137.06	126.92	14.95%
		Financial Services	25	46.68	46.94	10.99%
		Consumer Defensive	26	60.45	59.76	8.78%
		Financial Services	27	79.22	80.12	14.36%
		Industrials	28	62.30	59.60	9.20%
		Financial Services	29	42.42	39.33	7.18%
		Industrials	30	117.87	121.00	2.00%
		Energy	31	76.89	82.33	2.74%
		Financial Services	32	63.07	61.45	9.79%
		Utilities	33	76.25	77.91	3.43%
		Industrials	34	71.70	71.36	6.84%
		Energy	35	60.36	59.00	6.57%

Our Proprietary "Smartscore" Ranks all U.S. Stocks Based on 7 Key Criteria

- 1) New Institutional buying; 2) Existing Institutional buying; 3) High profitability (Net Income); 4) High/Stable Earnings per Share (EPS); 5) Low Total Liabilities; 6) Strong Corporate Insider buying; 7) High Quarterly EPS Estimates



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YOUR
EGGS
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BRIEFING

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