



MARKET TRAKKER

TRACKING THE TREND IN
U.S. STOCKS SINCE 2007

USER GUIDE

IMPORTANT DISCLAIMER:

THE MARKET TRAKKER IS A PREMIUM INVESTOR TOOL THAT IS FOR INFORMATIONAL AND EDUCATIONAL PURPOSES. YOU SHOULD ALWAYS CONSULT A FINANCIAL PROFESSIONAL BEFORE MAKING ANY FINANCIAL DECISIONS. FTMDAILY, AND ITS SUBSIDIARIES SHALL NOT BE HELD LIABLE FOR ANY INVESTMENT DECISIONS EMPLOYED BY OUR MEMBERS. INVEST AND TRADE AT YOUR OWN RISK!

Follow *The* **MONEY**

Welcome to FollowtheMoney.com's powerful Market Trakker service!

The Market Trakker service is a powerful trend following system, based on our Profit Trakker trend trading system, that can be used by both swing traders and long-term investors alike. It closely monitors the prevailing trends within America's most important stock index: the S&P 500.

UNDERSTANDING THREE DIFFERENT TRENDS

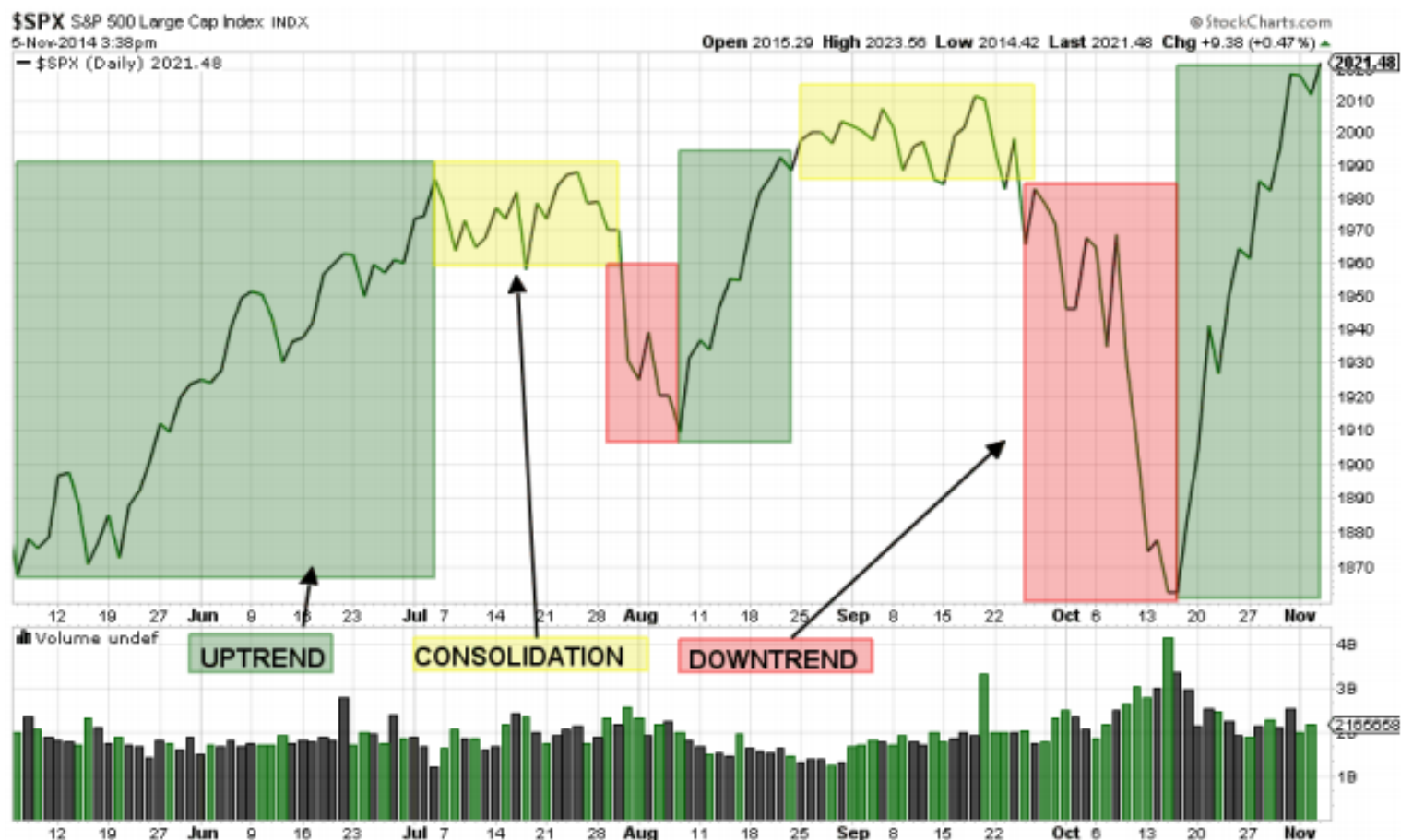
The first thing that you should understand is that all financial markets can move in one of three directions: Up, Down, and Sideways (also called "Consolidation").

When market prices are moving higher over a specific period of time, it is called an **UPTREND**.

When market prices are moving lower over a specific period of time, it is called a **DOWNTREND**.

And when market prices are stagnant, moving in a sideways fashion over a specific period time, it is called **CONSOLIDATION**.

Below, you can see what each of these three trends look like on a stock chart.



THREE DIFFERENT TIME PERIODS

Now that you know the three different trend directions, it is important to understand how trends are measured. A trend is meaningless without a point of origin. Therefore, trend identification begins with defining the time period to be measured.

Most investors and traders recognize trends in three different timeframes.

These include:

1) SHORT-TERM TREND (measured over a period of days or weeks)

THE SHORT-TERM TREND IS MOST OFTEN USED BY DAY TRADERS WHO ARE ATTEMPTING TO TRADE IN AND OUT OF THEIR POSITIONS WITHIN JUST A FEW DAYS.

2) INTERMEDIATE-TERM TREND (measured over a period of weeks or months)

THIS TREND IS MOST OFTEN USED BY POSITION TRADERS AND OTHER MOMENTUM TRADERS WHO ATTEMPT TO EXPLOIT LONGER-TERM MOVEMENTS WITHIN THE MARKET. IT ALSO SERVES AS AN EARLY INDICATOR OF A PENDING SHIFT IN THE LONG-TERM TREND.

3) LONG-TERM TREND (measured over a period of months or years)

THIS TREND IS HEAVILY RELIED UPON BY POSITION TRADERS AND OTHER LONG-TERM INVESTORS WHO WANT TO KNOW WHEN TO BE "LONG" THE MARKET AND WHEN TO "SHORT" THE MARKET.

While these are certainly not the only time periods available to measure trends, they are certainly the most common.

Remember, all markets move in only one of three directions: Up, Down, or Sideways.

In addition, commit to memory the three basic timeframes for measuring trends: Short-term, Intermediate-Term, and Long-Term.

HOW MARKET TRAKKER WORKS

The Market Trakker service detects important shifts within both the Intermediate-term and Long-term trend of the S&P 500 index. Every minute of the trading day, our trading system is monitoring the U.S. stock market watching for shifts within the Intermediate-term and Long-term trend.

Every weekend, you can log-in to the Market Trakker service on Followthemoney.com to access our latest trend analysis, commentary, and charts.

Silver members and above will receive real-time email alerts anytime a change is detected in the Intermediate-term trend or Long-term trend. (*While Bronze members have access to the Market Trakker webpage, they do not receive real-time alerts by email.*)

When our Market Trakker service detects a change in the underlying Intermediate-term or Long-term trend, this is often a powerful signal that the overall trend in the stock market may be shifting.

This is the same system that I personally used to protect my own stock investments (and my then-clients) from the major 2008 stock market crash. I continue to use this same system for my own trading/investing purposes to this day.

Note the images below. We use these images to graphically display the current trend of the S&P 500. When the S&P 500 is in an uptrend, the needle on the dial will point to "Uptrend." When the uptrend ends and the market enters a sideways pattern, the needle on the dial will point straight up to "Under Pressure." Finally, when the consolidation period gives way to a new downtrend, the needle on the dial will point to "Correction."

We use a simple color coding system: Green (for Buy), Yellow (for Caution), and Red (for Sell).

UPTREND

"GREEN"



CONSOLIDATION

"YELLOW"



DOWNTREND

"RED"



HOW TO USE THE MARKET TRAKKER SERVICE FOR YOUR LONG-TERM INVESTMENTS

Let's consider how position traders, buy-and-hold investors, and other long-term investors can use our Market Trakker alerts to improve their investment returns.

Q: I am a long-term stock investor. What should I do when the Intermediate-Term Trend and Long-Term Trend in the Market Barometer are both GREEN?

A: When both trends are moving higher, it is a good time to stay in the market and to add to your position on pullbacks.

Q: I am a long-term stock investor. What should I do when the Intermediate-Term Trend turns YELLOW but the Long-Term Trend is GREEN?

A: Long-term investors should consider this as little more than a potential warning, and more likely, a potential opportunity. I rarely sell any of my long-term stock holdings in this situation. However, I do become more aggressive in looking for stocks that may have become oversold so that I can add them on the dips.

Q: I am a Long-Term stock investor. What should I do when the Intermediate-Term Trend turns RED but the Long-Term Trend is GREEN?

A: When the stock market experiences a sharp pullback in the intermediate trend while the underlying long-term trend remains up, I rarely sell any of my long-term holdings, except those that may be underperforming overall. However, I will often use this time to re-examine my existing positions and to increase any stop-loss orders, as appropriate. This situation can also be an ideal time to add more oversold stocks on the dip.

Q: I am a long-term stock investor. What should I do when the Long-Term Trend turns YELLOW?

A: Any downgrade in the long-term trend is extremely important for the long-term investor. If the long-term shifts downwards from GREEN to YELLOW, I will raise my stop loss orders even more and will look for laggards in my portfolio to sell off and lock in any gains. I will also begin looking for potential "shorting" opportunities.

Q: I am a long-term stock investor. What should I do when the Long-Term Trend turns RED?

A: Anytime the long-term trend turns RED, I will respond by immediately tightening my stop losses to a minimum of break even on all of my stocks. (I usually set them much higher on stocks that have greatly appreciated, normally closer to 20% above my purchase price.) In addition, I will often initiate some positions in a few inverse ETFs to take advantage of the downturn.

HOW TO USE THE MARKET TRAKKER SERVICE AS A SWING OR MOMENTUM TRADER

Next, let's consider how swing traders and other momentum traders can successfully use our Market Trakker alerts.

Q: I am a swing trader. What should I do when the Intermediate-Term Trend and Long-Term Trend in the Market Barometer are both GREEN?

A: This is a good time to be riding the stocks that you already own while maintaining exposure to the strongest stocks in the market. (Our Gold and Platinum members get access to our daily stock scans, which include new uptrends and a list of all of the strongest U.S. stocks in the market. This list is updated daily and is available for viewing every evening after the market's close.)

Q: I am a swing trader. What should I do when the Intermediate-Term Trend turns YELLOW but the Long-Term Trend is GREEN?

A: For swing traders, any downgrade in the intermediate-term trend can present new buying opportunities as stock prices begin to pullback from their uptrend. This can often be a good time to rid your portfolio of underperforming stocks and to replace them with stronger stocks on the dips.

Q: I am a swing trader. What should I do when the Intermediate-Term Trend turns RED but the Long-Term Trend is GREEN?

A: When the intermediate trend turns RED, this means that a large number of stocks are pulling back. Again, this can be an excellent time for the swing trader to identify new trading set-ups for when/if the intermediate uptrend resumes. (Be careful not to view this as an inevitable "shorting" opportunity, as the intermediate trend could resume higher quickly.)

Q: I am a swing trader. What should I do when the Long-Term Trend turns YELLOW?

A: Anytime the long-term trend is downgraded, traders should prepare for increased volatility. This can be an excellent time to reassess your trading performance and to look for new potential oversold situations. However, if the trend continues to worsen, it may also be appropriate to begin making a list of "shorting" opportunities.

Q: I am a swing trader. What should I do when the Long-Term Trend turns RED?

A: When the long-term trend is RED, it is often an excellent time to begin thinking about how to profit from the decline. Making money in a downtrend takes just as much effort as making money during an uptrend. There are several tools available for investors and traders who want to participate in earning money from a sinking market, including creative options strategies, inverse ETFs, and "shorting" stocks.

Do you still have questions?

Please email your question to member support at info@followthemoney.com

THE TREND

IS YOUR FRIEND



Follow The **MONEY**



About Followthemoney.com

FollowtheMoney.com is a fiercely independent investment research firm led by Christian economist, investor, and best-selling author, Jerry Robinson. Our nationwide team of financial experts boasts a combined 203 years of experience in the financial markets.

Since 2010, more than one million FollowtheMoney.com readers and premium members from around the globe have enjoyed our profitable and cutting-edge investing insights.

We trade based on trends, not opinions. Market opinion and sales hype are a dime a dozen and can quickly lead investors to the poorhouse. Instead of relying on opinion, we follow trends.

We stay on the right side of the trend. When the trend begins to rise, we get in. When the uptrend ends, we sell. *(We also provide our premium members with actionable strategies for profiting in a downtrend.)*

Our premium members receive real-time actionable ideas and strategies designed to exploit both short-term and long-term trends.

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AS ALWAYS, INVEST AND TRADE AT YOUR OWN RISK!