

THE McCLELLAN MARKET REPORT

DAILY EDITION

Prepared after the close of trading on Wednesday, August 31, 2016

CURRENT OPINIONS

STOCKS: Bearish for short, intermediate, and long term trading styles. I still look for a drop into mid-October, with most of the damage arriving in September.

T-BONDS: Bearish short and intermediate term. If Dec. T-Bonds close above 170-22/32, that would break the declining tops line, and change me to short and intermediate term bullish.

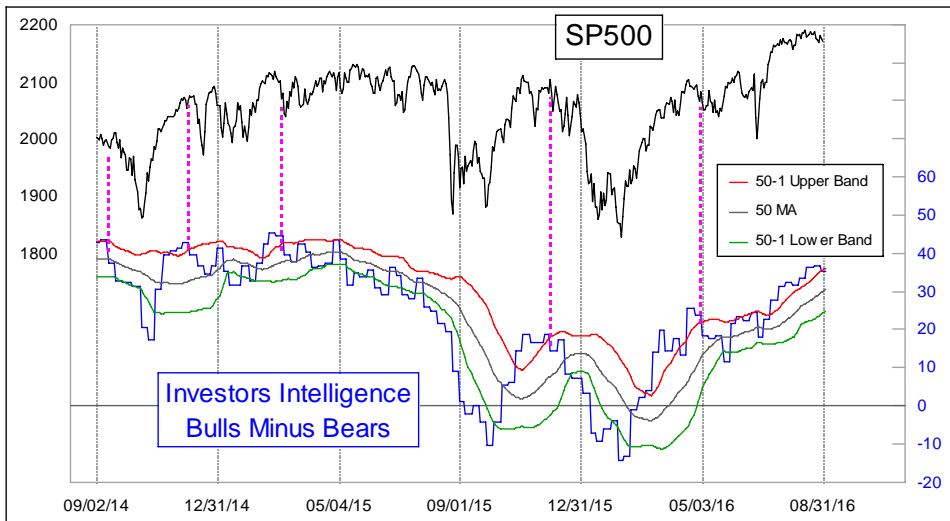
GDM & GOLD: Bearish short and intermediate term. Another down day on Thursday could bring a short term bottom, but not the final low.

Note: Time frames mentioned refer to trading styles, and not to the duration of a forecast.

A further drop for oil prices Wednesday brought a further drop for the stock market. It is still, however, just August doldrums time, with traders waiting for the big jobs number on Friday, and also waiting for their bosses to get back from the shore next week to start making some big portfolio adjustments.

Wednesday also brought the weekly release of sentiment data from the folks at Investors Intelligence, and even though it was only a small change from a week ago, there is an important "tell". A week ago, the bull-bear spread was 36.5 percentage points, and this week it is 35.3. That is just enough of a drop to take this spread down through the upper 50-1 Bollinger Band shown in the first chart.

Dropping through that upper band quite often marks an inflection point for prices, as the vertical dashed lines help to illustrate. It does not always work perfectly, but it works well enough to deserve our attention, and it adds confirming evidence to my expectation



Segment	Rank	Score	Current Managed Account Program Positions		
Sm Cap Value	1	2.99%	Stock Optimizer: 50% Inv. Govt Bond, 50% 2x Inv SP500		
Sm Cap Grwth	2	2.13%	RS2000: 31% Real Estate, 35% 2x DJIA, 20% Utils, 14% Cash		
Lg Cap Value	3	1.27%	Rising Star: 64% Invested, 36% Cash		
Lg Cap Grwth	4	0.33%	Program funds managed by Global Investment Solutions, LLC		
Cash	5	0.00%	For more information, call (866) 547-3123		

ADV-DECL	ADV	DECL	A-D	10%T	5%T	A-D OSC	SUMM INDEX	OSC UNCH'd	OSC TO ZERO	
NYSE	08/31/16	1152	1866	-714	78.478	169.422	-90.944	3512.720	-12	1806
NASDAQ	08/31/16	1046	1815	-769	47.035	96.852	-49.817	2416.879	-3	994
NDQ 100	08/31/16	44	54	-10	-0.348	4.116	-4.464	81.337	-5	84
VOLUME	UP VOL	DN VOL	UV-DV	10%T	5%T	Volume OSC	SUMM INDEX	OSC UNCH'd	OSC TO ZERO	
NYSE	08/31/16	1268747	2274198	-1005451	19126	140504	-121378	2497447	-102252	2325312
NASDAQ	08/31/16	702477	980116	-277639	95883	137187	-41304	1743613	54578	880667
NDQ 100	08/31/16	193599	273618	-80019	22412	40434	-18021	566528	4391	364819
PRICES	HIGH	LOW	CLOSE	10%T	5%T	PRICE OSC	OSC Direction	OSC UNCH'd	Sum/10 Level	1%T
DJIA	18439.68	18333.56	18400.88	18477.62	18388.60	89.021	DOWN	18566.64	18308.48	17772.93
NYComp	10785.65	10714.09	10764.75	10787.74	10730.97	56.773	DOWN	10844.52	10679.87	10423.83
SP500	2173.79	2161.35	2170.95	2175.31	2161.96	13.345	DOWN	2188.65	2149.95	2083.46
SP400	1568.86	1557.28	1564.76	1560.53	1547.41	13.114	DOWN	1573.64	1535.61	1474.49
NASDAQ	5219.89	5191.18	5213.22	5208.30	5144.40	63.900	DOWN	5272.20	5086.89	4929.33
Nasdaq 100	4775.19	4751.69	4771.05	4773.18	4712.76	60.421	DOWN	4833.61	4658.38	4506.03
Russ2000	1245.64	1233.12	1239.91	1233.84	1217.47	16.372	DOWN	1250.21	1202.73	1158.63
GDM	722.91	705.89	708.43	791.96	797.28	-5.325	DOWN	786.64	802.08	654.35
Dec Gold	1319.20	1306.90	1311.40	1335.44	1334.15	1.294	DOWN	1336.74	1332.98	1258.16
Dec Bonds	170.66	169.84	170.22	170.46	170.25	0.217	DOWN	170.68	170.05	164.63
DJI Osc Rising Index:		17%	Oversold, Trend Dn		DJI Osc Pos & Rising:		13%	Oversold, Rising from Oversold		
NDX stocks >100MA:		72	Arms Index: 1.11		VIX: 13.42		Uppr Band: 16.70		Lwr Band: 10.80	

of a down move for prices into October.

For more on the sentiment front, the top chart on page 2 looks at total shares outstanding in QQQ. That number moves up and down as investors decide to own more or less of those shares.

This shares outstanding number has been trending downward for many years, and recently hit the lowest level since 2007. But it has jumped up since then, and has gone above the upper 50-1 Bollinger Band for the first time since prices were topping back in late 2015.

For those unfamiliar with the 50-1 terminology, that refers to using a 50-day lookback period for calculation of both the center moving average (not shown in this chart) and the standard deviation.

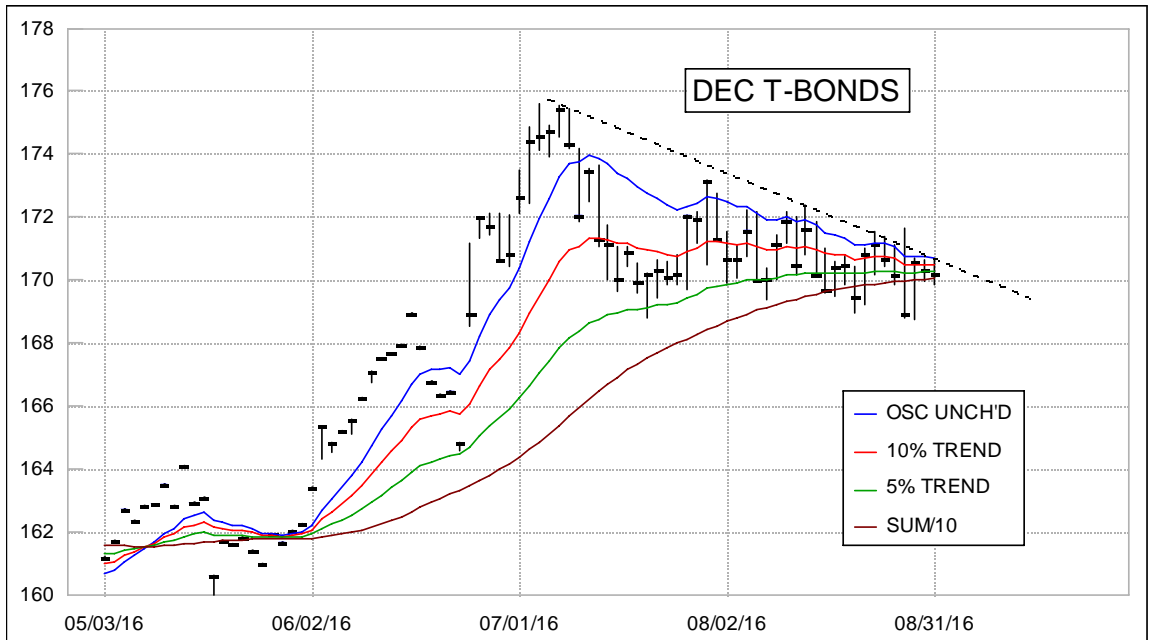
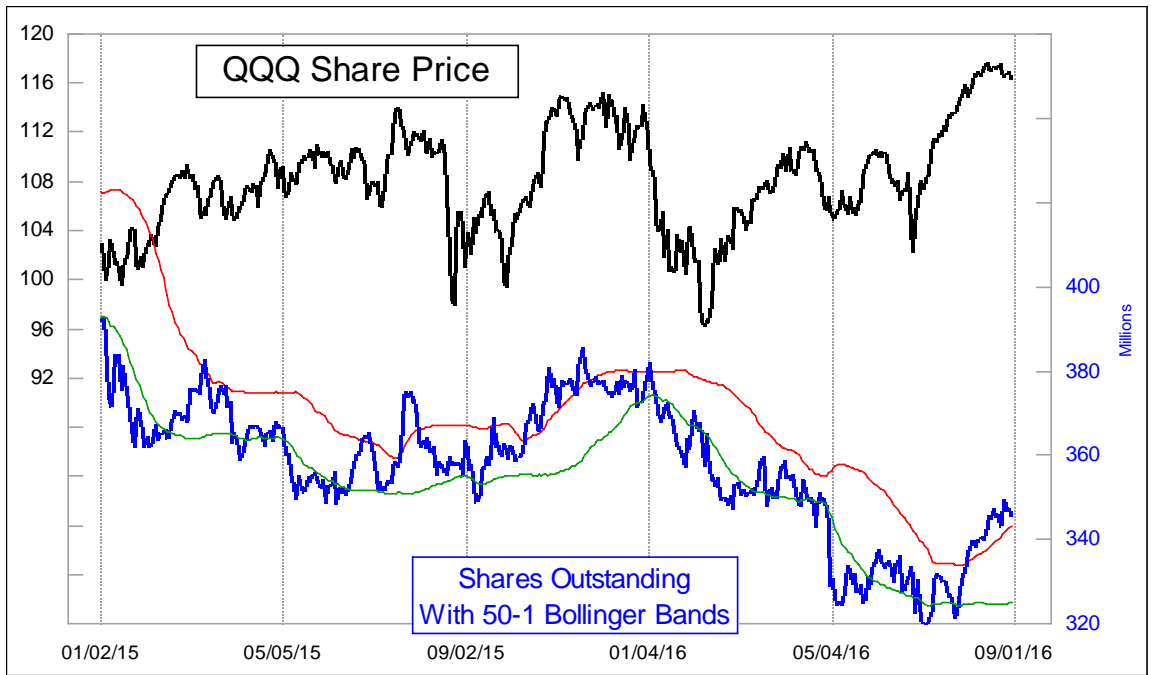
Bollinger Bands involve setting lines some number of standard deviations away from a moving average, and usually the settings are 20-2, meaning a 20MA and 2 standard deviations above and below that MA.

I have found that for sentiment indicators like the VIX Index, or the ones in these two charts, a 50-day MA and 1 standard deviation spacing above and below works nicely. That does not mean that other settings might not also be good; it is a case of personal preference for the chartist. I'm just glad to live in an era when we have computers to do these calculations and graphing tasks for us, and that I don't have to calculate standard deviations each day on scratch paper.

The chart of **T-Bond** prices has not changed much. The downtrend line is still intact, and prices are still stuck around the 170 level. But that downtrend line is going to be slicing through the 170 level in just a few days, so those two conditions cannot both persist for very much longer.

The big jobs numbers due out on Friday are an obvious catalyst for getting this condition to change. I don't know what those numbers will say is happening in the jobs market, nor how accurate their reflection might be. But I do see in the price action that the market is holding its collective breath, waiting to sway wildly in one direction or the other.

The old saying among chartists is that the bigger the base, the bigger the move coming out of it. Friday should bring some excitement.



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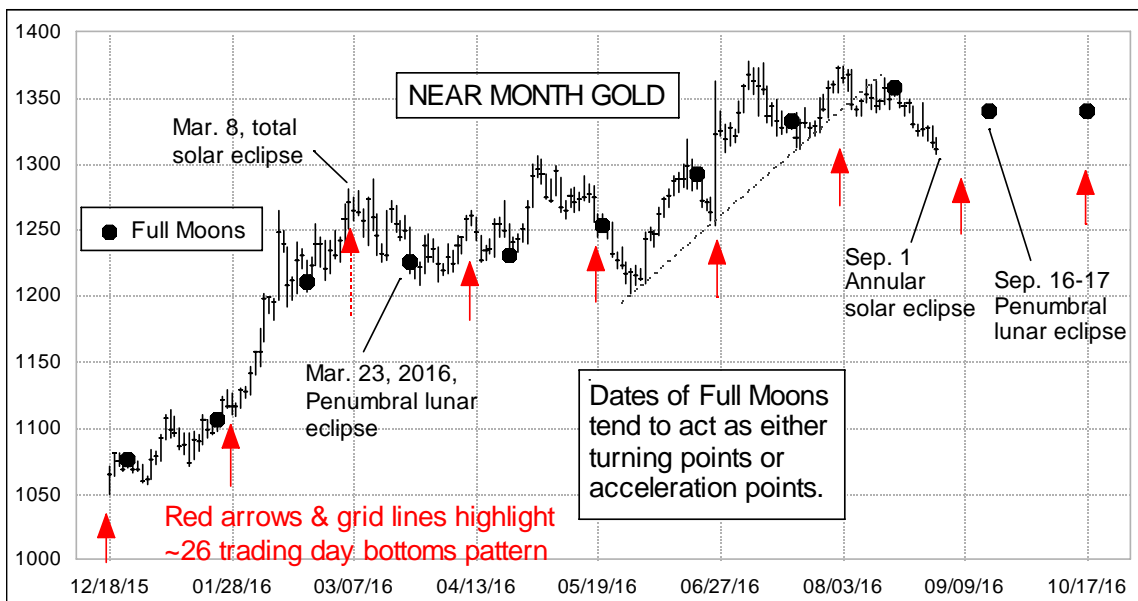
And Thursday could be an exciting day for **gold** prices, for two reasons. Gold futures prices are about to have a rainbow convergence, which could mark a temporary end to this short term down move. And there is also going to be an annular eclipse of the sun (visible for those of you in southern Africa).

Normally I focus on full moons with gold, and solar eclipses occur on the opposite condition of a new moon. But as we saw back in March 2016, eclipse dates of both types (lunar and solar) can have importance for gold prices.

For those of you who are not astronomy geeks, an “annular” solar eclipse is one in which the moon does not completely cover the solar disk because the moon is farther away from earth and thus its size is not sufficient to block out the whole sun. When the moon is closer to earth in its elliptical orbital path, it appears larger to the eye, and can block out more of the sun. This is not likely a distinction that matters much for gold prices, but I thought you might want to know.

At the full moon two weeks ago, gold finally started the current downtrend, after having paused for several sideways days following the breaking of its rising bottoms line. Full moons (and some new moons) can have significance for gold prices, but I have not figured out a way to tell in advance the manner in which that significance will be manifested.

Coming up, we also have on Sep. 9 one of the 26-day turning points indicated by both the grid lines and the red arrows in the final chart, and another eclipse (lunar) on Sep. 16-17. And then we get an alignment of both phenomena on Oct. 17. Past such alignments have seen greater importance for the dates, and October just happens to be when the 13-1/2 month cycle is due to bring an important bottom for gold prices.





Stocks Currently on a "Buy"

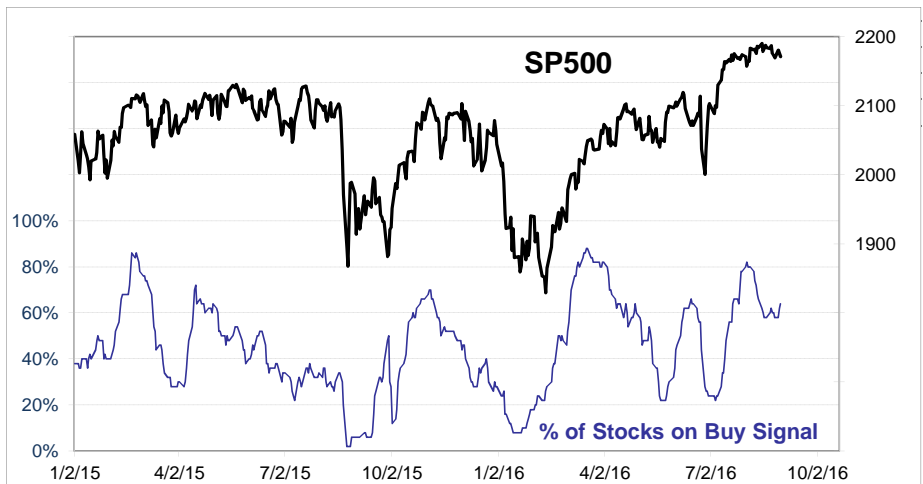
Company Name	Symbol	Buy Date	Buy Price	Current	% Change
Lululemon	LULU	6/2/2016	\$67.13	\$76.51	13.97%
Deckers Outdoor	DECK	6/15/2016	\$55.70	\$65.35	17.32%
Petrobras	PBR	6/23/2016	\$7.21	\$9.14	26.77%
Mercadolibre	MELI	6/29/2016	\$138.96	\$172.00	23.78%
Factset Research	FDS	7/5/2016	\$162.12	\$178.03	9.81%
Medifast	MED	7/6/2016	\$33.71	\$36.77	9.08%
Avis Budget Group	CAR	7/11/2016	\$34.74	\$36.13	4.00%
Nordstrom	JWN	7/11/2016	\$40.94	\$50.46	23.25%
Sina Corp	SINA	7/12/2016	\$54.24	\$76.50	41.04%
Facebook	FB	7/14/2016	\$117.29	\$126.12	7.53%
Baidu	BIDU	7/14/2016	\$164.85	\$171.07	3.77%
Ctrip.com	CTRP	7/15/2016	\$43.08	\$47.35	9.91%
Apple	AAPL	7/18/2016	\$99.85	\$106.10	6.26%
Harman Intl	HAR	7/18/2016	\$78.31	\$84.69	8.15%
Tata Motors	TTM	7/18/2016	\$36.87	\$40.77	10.58%
Alphabet	GOOG	7/18/2016	\$734.00	\$767.05	4.50%
Dana Holding	DAN	7/21/2016	\$12.53	\$14.42	15.08%
United Rentals	URI	7/21/2016	\$76.25	\$82.31	7.95%
Terex	TEX	7/21/2016	\$21.97	\$24.28	10.51%
Las Vegas Sands	LVS	7/22/2016	\$47.32	\$50.21	6.11%
Tenneco	TEN	7/27/2016	\$54.66	\$55.83	2.14%
MasterCard	MA	7/28/2016	\$96.01	\$96.63	0.65%
Priceline	PCLN	8/1/2016	\$1,356.08	\$1,416.73	4.47%
Pacira Pharmaceutcals	PCRX	8/4/2016	\$44.63	\$39.63	-11.20%
Bon-Ton Stores	BONT	8/17/2016	\$1.64	\$1.70	3.66%
Fmc Technologies	FTI	8/18/2016	\$28.55	\$28.20	-1.23%
W. R. Grace	GRA	8/22/2016	\$78.99	\$78.13	-1.09%
Netflix	NFLX	8/23/2016	\$95.94	\$97.45	1.57%
Verifone	PAY	8/26/2016	\$19.49	\$19.86	1.90%
Mosaic	MOS	8/30/2016	\$30.45	\$30.07	-1.25%
Gulfport Energy	GPOR	8/30/2016	\$29.03	\$28.60	-1.48%
Air Methods	AIRM	8/31/2016	\$35.18	\$35.18	0.00%

Stocks Currently on a "Buy"

Company Name	Symbol	Buy Date	Buy Price	Current	% Change

Recent Sales

Company Name	Symbol	Buy Date	Sell Date	Buy Price	Sale Price	% Change
Tesla Motors	TSLA	7/19/2016	8/26/2016	\$225.26	\$219.99	-2.34%
Century Aluminum	CENX	8/24/2016	8/26/2016	\$6.87	\$6.46	-5.97%
Wynn Resorts	WYNN	7/27/2016	8/24/2016	\$102.24	\$90.81	-11.18%
Freeport McMoran	FCX	7/5/2016	8/24/2016	\$10.50	\$11.08	5.52%
Mosaic	MOS	7/15/2016	8/18/2016	\$28.69	\$27.96	-2.54%
W. R. Grace	GRA	8/1/2016	8/17/2016	\$76.08	\$73.26	-3.71%
Cognizant Tech	CTSH	8/2/2016	8/17/2016	\$57.85	\$57.00	-1.47%
Jazz Pharmaceuticals	JAZZ	7/28/2016	8/16/2016	\$152.82	\$136.53	-10.66%
Century Aluminum	CENX	7/12/2016	8/15/2016	\$8.00	\$7.09	-11.38%
Verifone	PAY	7/28/2016	8/15/2016	\$19.40	\$19.09	-1.60%
Bitauto	BITA	6/14/2016	8/11/2016	\$24.07	\$25.48	5.86%
Rockwell Collins	COL	7/28/2016	8/11/2016	\$85.22	\$84.53	-0.81%
Express Scripts	ESRX	7/8/2016	8/11/2016	\$77.92	\$76.17	-2.25%
Western Digital	WDC	7/12/2016	8/10/2016	\$51.84	\$43.17	-16.72%



Buy and Sell signals are generated by technical indicators often referred to as "directional" indicators. Each stock generates its own signals based on its share price action, and independent of other factors, including our views about the overall market trend. In backtesting, best results were obtained when new positions were taken upon "New Buy" signals, and when stocks that generate a "Sell" were promptly removed from a portfolio. Since many of the stocks in this program carry above average risk, stocks should be bought only by investors financially able to purchase speculative stocks. Investors should be prepared to lose their entire investment and

PRUDENCE should be displayed when entering a position. Trading based on these signals is available in a managed accounts program through Global Investment Solutions, LLC. For more information on this program, see http://www.mcoscillator.com/market_reports/rising_star_stocks.html or contact Roger Kliminski at 949-660-7960 or Roger@Globalinvestsolutions.com.