

# Special Online Forum

**Saturday June 4, 2016**

**11:00 am EDT – 12:30 pm EDT**

*Welcome! Our meeting will start promptly at 11:00 AM EDT.*

*Please submit your questions at any time so we can answer them all. Thank you for joining us!*

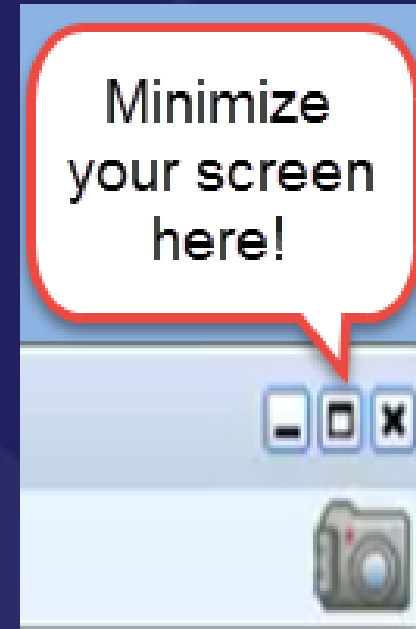
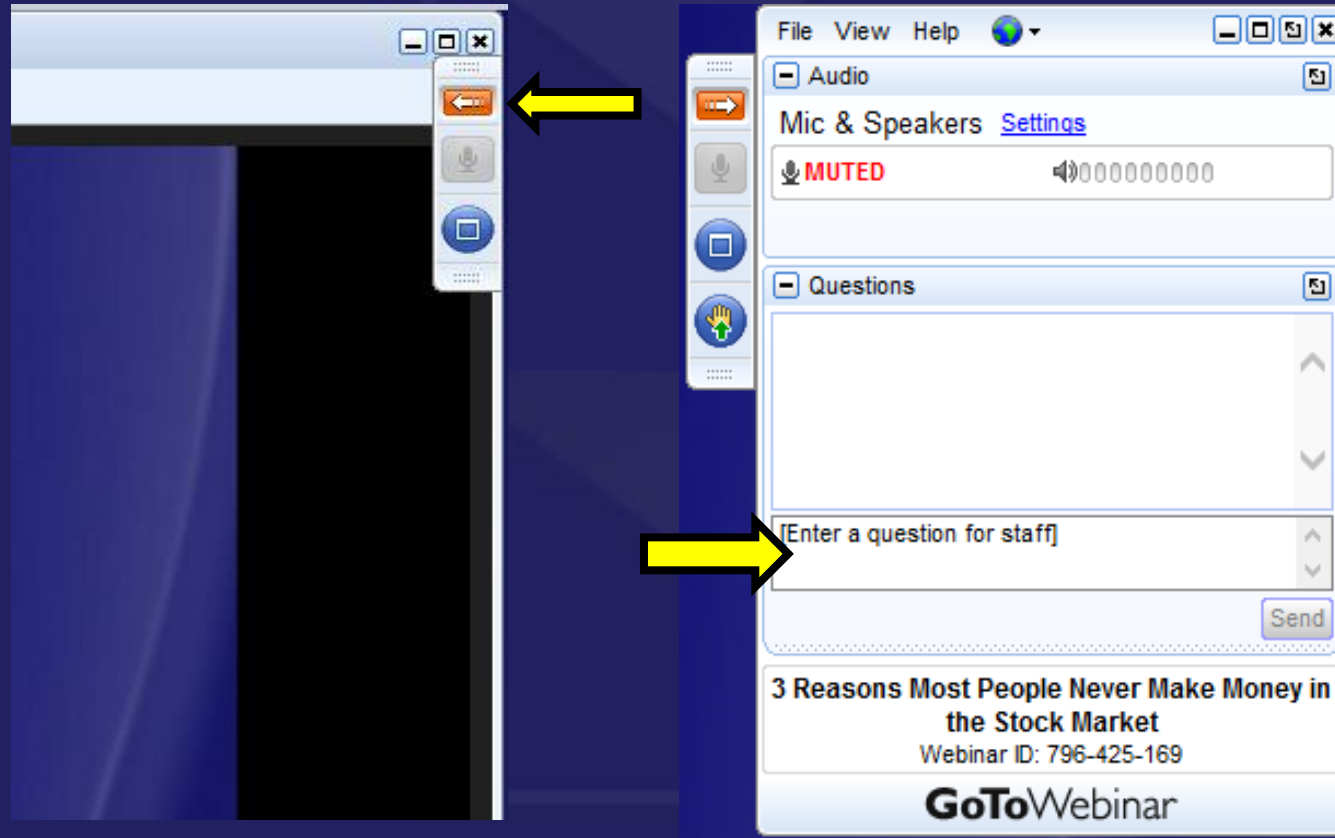


Jamin Heller  
Moderator

Stan Heller  
Host - VectorVest Canada



# Questions? Comments.



# *Welcome*

## **Purpose for these monthly Forums:**

- Further your knowledge of the VectorVest System.
- To share current ideas and strategies for making money and protecting wealth.
- To create opportunities to interact and share ideas with other members of our VectorVest community.
- To promote the meetings and activities of our VectorVest User Groups.
- To provide a forum for VectorVest Investors who do not live near a User Group Community.

# Today's Agenda

11:00 Welcome and Purpose of Meeting (5 min.)

11:05 The 15-Minute Market Forecast (15 min.)

- Colour Guard Review – VectorVest markets around the Globe
- Strategy and Market Climate – Canada and US
- This Week's VectorVest Special Presentation – **Tracking Industry and Sector Rotation**

11:20 User Group News

- Meetings This Month (5 min.)
- How to Access Recordings of Past Online Forums – [www.vectorvest.ca/blog](http://www.vectorvest.ca/blog) (Category - Online Forums)

11:30 *Special Presentation (60 min.)*

- ***Live Interview with VectorVest Founder, Dr. Bart DiLiddo***

12:40 *The Month Ahead*

ADJOURN – 12:45 ET

# DISCLAIMER

Neither VectorVest nor any of its employees or subscribers are licensed to offer specific investment advice. You should be aware of the risks involved in stock investing, and you use the material contained herein at your own risk. This material is believed to be reliable, but neither VectorVest, Inc., nor any of its suppliers guarantee its accuracy or validity, nor are they responsible for any errors or omissions which may have occurred. The analysis, ratings, and/or recommendations made by VectorVest, and/or any of its suppliers do not provide, imply, or otherwise constitute a guarantee of performance.

Everything you will see and hear today is provided for educational purposes and not investment advice. The information is designed to empower you to make your own investment decisions, and these decisions are yours, and yours alone to make.

# *The 7-Minute Market Forecast*

**11:05 The 15-Minute Market Forecast (15 min.)**

- **Colour Guard Review – VectorVest markets around the Globe**
- **Strategy and Market Climate – Canada and US**
- **This Week’s VectorVest Special Presentation – **Tracking Industry  
and Sector Rotation****

VVC/CA - 6.89% YTD



VVC/US - 2.56% YTD



VVC/AU - 4.03% YTD



VVC/UK - 1.40% YTD



The Color Guard is Bullish

VectorVest advocates buying safe, undervalued stocks that are rising in price at this time.



The Color Guard is Neutral

VectorVest advocates caution when buying stocks at this time.



The Color Guard is Neutral

VectorVest does not advocate buying any stocks at this time.



The Color Guard is Bullish

VectorVest advocates buying safe, undervalued stocks that are rising in price at this time.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 17.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 17.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 19.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 18.

Singapore



VVC - 0.93% YTD

Europe



VVC - (-2.37%) YTD

South Africa



VVC - 6.35% YTD

Hong Kong



VVC - (-4.58%) YTD

India



VVC - (-1.69%) YTD



The Color Guard is Neutral

VectorVest advocates caution when buying stocks at this time.



The Color Guard is Neutral

VectorVest does not advocate buying any stocks at this time.



The Color Guard is Neutral

VectorVest does not advocate buying any stocks at this time.



The Color Guard is Somewhat Bullish

VectorVest advocates buying safe, undervalued stocks that are rising in price at this time.



The Color Guard is Neutral

VectorVest advocates caution when buying stocks at this time.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 19.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 19.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 19.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 19.

Color Guard Market Close on 6/3/2016

Table with 7 columns: Date, Price, RT, BSR, MTI, Trend, Call. Rows from Jun 03 to May 19.

# Market Timing – June 3, 2016

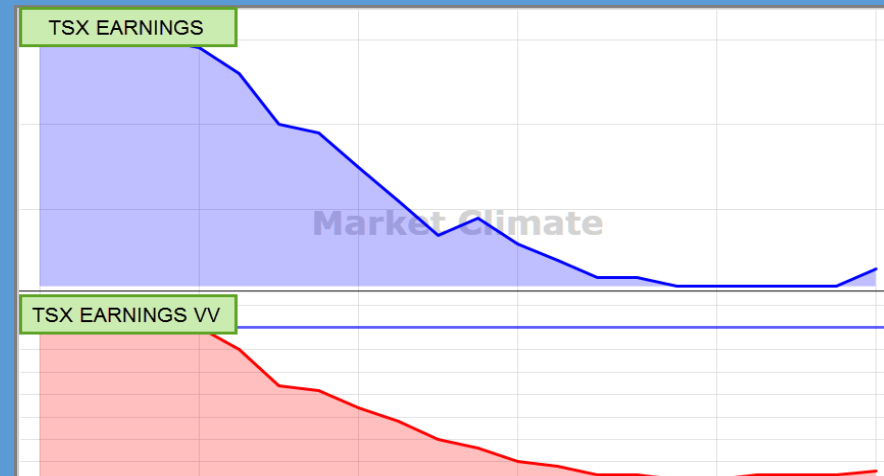


Tracking 2,812 stocks

Buys	Sells	Holds
482	391	1,939
(17.1 %)	(13.9 %)	(69.0 %)

VVC/CA Price: \$18.71 BSR: 1.23

VVC/CA RT: 1.08 MTI: 1.24



## Strategy

For the fourth consecutive five-day trading period the Price of the VVC/CA closed in positive territory, gaining \$0.17 per share to close at \$18.71 per share. Furthermore, our other key indicators, the RT, BSR and MTI, also gained ground over the last five trading days. With green lights filling the Color Guard, it looks like this rally might have momentum. So, with three green lights and an UpUp situation, the Color Guard is Bullish:

Prudent Investors may buy stocks long if the market moves higher Monday.

Aggressive Investors and Traders should play the market with a bias to the upside.

Today's Derby Winners, having ten stock portfolios, the five Searches with the highest 1-Day percent price gains are:

Bullish: Gold Digger.....	9.01% Total % Gain
Bullish: Firework Stocks.....	7.81% Total % Gain
Bullish: Seattle Bear Beaters.....	6.66% Total % Gain
Bullish: Hot Smoothies.....	6.60% Total % Gain
Bullish: VST Rockets.....	6.50% Total % Gain

Today's 5-Day Derby Winners, having ten stock portfolios, the five Searches with the highest percent price gains over the last five trading days are:

Bullish: Gold Digger.....	11.95% Total % Gain
Bullish: Firework Stocks.....	10.20% Total % Gain
Bullish: Great Growth Stocks.....	10.00% Total % Gain
Bullish: The Sky's the Limit.....	9.47% Total % Gain
Bullish: Seattle Bear Beaters.....	9.35% Total % Gain

## Climate

Merchandise Trade narrowed to a deficit of \$2.94 billion in April with Imports rising by 0.9% and Exports by 1.5% when compared to the previous month. The Industrial Product Price Index fell by 0.5% monthly and 1.6% annually in April, while the Raw Materials Price Index rose by 0.7% month-over-month, but fell 12.5% year-over-year. Gross Domestic Product (GDP) rose by 0.6% when compared to the quarter prior and 1.1% when compared to the year prior in the first quarter. Monthly GDP declined by 0.2% month-over-month, but rose 1.1% year-over-year in March. The RBC Manufacturing Purchasing Manager's Index fell by 0.1 index points to a reading of 52.1 in May. The Current Account deficit increased \$1.1 billion in the first quarter to \$16.8 billion. Consumer Confidence rose to 101.8 in May, up 7.4 index points from April's reading of 94.4.

Our Composite of Investment Climate Indicators (shown below) fell 0.01 point to a level of 0.82. The major mover last week was the Consumer Confid, whose indicator fell 0.09 points. Our forecast of TSX Composite Earnings rose \$0.02 to \$1.73. Its indicator also rose 0.01 point to a level of 0.68. We currently have a Case 5, Bear market scenario in which earnings are falling, while inflation and interest rates are rising. (Please see my essays of 21/03/03, 28/03/03, 24/10/03, 29/09/06 and 13/10/06 in VectorVest U.S., for more information on various Bull and Bear market scenarios.) You may see graphs of the VectorVest Investment Climate Indicators by clicking on Graphs on the main tool-bar; then clicking on Market Climate Graphs.



# Market Timing – June 3, 2016

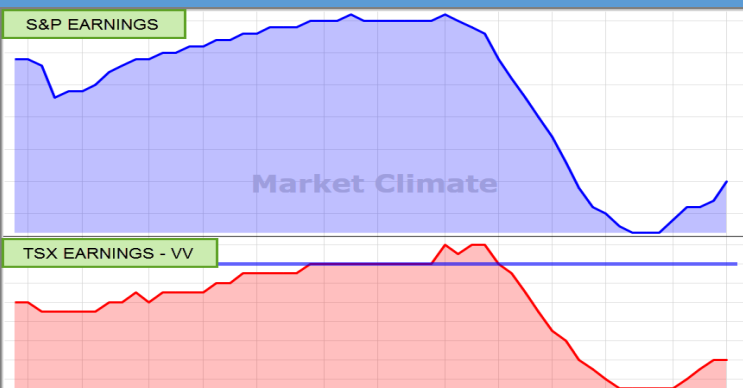
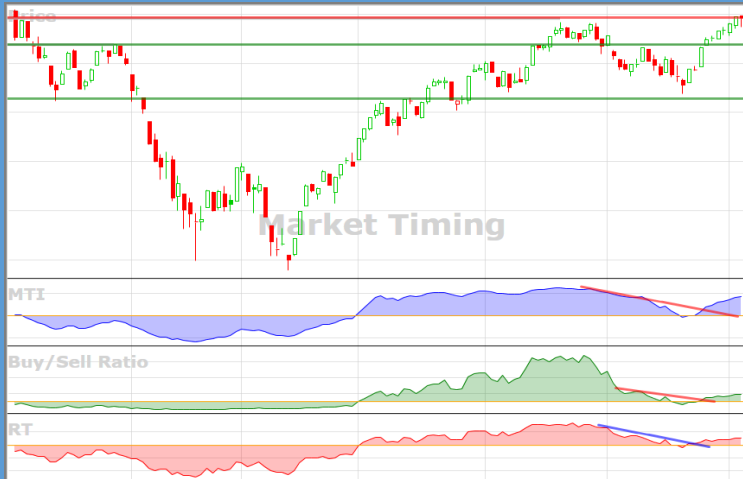


Tracking 7,878 stocks

Buys	Sells	Holds
1,683 (21.4 %)	896 (11.4 %)	5,299 (67.3 %)

VVC Price:	\$36.92	BSR:	1.88
VVC RT:	1.05	MTI:	1.42



## Strategy

The Price of the VectorVest Composite kept chugging along this week until the Department of Labor Statistics dropped its bombshell on Wall Street this morning. Even so, it closed higher since last Thursday, gaining \$0.43 per share over the last five trading days to close at \$36.92 per share. **Today's recovery from a steep opening loss was somewhat impressive. It tells me that the Good News Bulls sold shares at the Open and the Bad News Bulls went bargain hunting.** So today's horrible jobs report may not mark the end of the current rally just yet. **Just heed the Color Guard and you'll be alright.** Please **note that gold stocks were up sharply today.** With three yellow lights and an UpUp situation, the Color Guard advocates caution when buying stocks at this time.

Prudent Investors may buy stocks only when the market is rising.

Aggressive Investors and Traders should play the market as it develops.

## Climate

**The International Trade balance came in at a deficit of \$37.4 billion in April** as Exports rose 1.5% and Imports rose 2.1% when compared to the previous month. Factory Orders rose 1.9% on a monthly basis in April, just under estimates at

.....

Our Composite of Investment Climate Indicators (shown below) rose 0.04 points to a level of 0.91. The major mover last week was the 10 Yr. T-Notes, whose indicator rose 0.30 points. Our forecast of S&P 500 Earnings rose \$0.03 to \$4.25. Its indicator remained unchanged at a level of 0.90. We currently have a **Case 5, Bear market scenario in which earnings are falling, while inflation and interest rates are rising.** (See VectorVest Views of 03/21/03, 03/28/03, 10/24/03, 09/29/06 and 10/13/06 for more information on various Bull and Bear market scenarios.) You may see graphs of the VectorVest Investment Climate Indicators by clicking on Graphs on the main tool-bar; then clicking on Market Climate Graphs.

# Market Timing – June 3, 2016



## TODAY'S JOBS REPORT.

Today's Jobs report, the worst jobs report in more than five years, hit Wall Street like a bombshell. Only 38,000 nonfarm payrolls were added in May compared to a forecasted 160,000. But the unemployment rate still fell to 4.7% as 458,000 left the workforce. Stock prices plunged, bond prices soared and the dollar got weaker. **What will the Fed do about raising interest rates?**

The Fed's mandate requires that they strive to maintain monetary stability and full employment. They assess monetary stability and employment conditions in a variety of ways. For example, they look at "core inflation," which excludes food and energy and they look at "slack in the employment picture." See my essay of August 22, 2014.

Their dilemma is that they really don't like the ultra-low interest rates we currently have and they want to raise rates as soon and as fast as possible. But the economy, here and around the world, is not sufficiently robust to take such action. So they have been indecisive on when to make their move. Today's jobs report hasn't made their job any easier.

They know that the "official" unemployment rate of 4.7% makes a good headline, but is meaningless. They should be using the U6 unemployment rate which includes discouraged workers, all other marginally attached workers and workers who are part-time purely for economic reasons. It remained unchanged at 9.7%.

You may recall that the Fed raised interest rates in December 2015 and said they were aiming to raise rates four more times in 2016. The stock market tanked. In mid-February, Head of the Fed, Ms. Janet Yellen told Congress that due to less supportive financial conditions a rate hike in March was far from a certainty. The stock market rallied.

A rate increase did not materialize in April, so attention was turned to June. Minutes of the Fed's April meeting revealed that several members felt strongly about the need for additional rate increases. So it was believed widely that a strong jobs report for May would certainly trigger a rate increase in June.

Fortunately or unfortunately, depending on whether you're a spender or a saver, the odds of the Fed raising interest rates in June were crushed by Today's Jobs Report.

## Strategy

The Price of the VectorVest Composite kept chugging along this week until the Department of Labor Statistics dropped its bombshell on Wall Street this morning. Even so, it closed higher since last Thursday, gaining \$0.43 per share over the last five trading days to close at \$36.92 per share. Today's recovery from a steep opening loss was somewhat impressive. **It tells me that the Good News Bulls sold shares at the Open and the Bad News Bulls went bargain hunting. So today's horrible jobs report may not mark the end of the current rally just yet.** Just heed the Color Guard and you'll be alright. Please note that gold stocks were up sharply today. With three yellow lights and an UpUp situation, the Color Guard advocates caution when buying stocks at this time.

Welcome

Home

Timing

## Daily Color Guard Report Video

[Click Here to Watch the Video >](#)

## Special Presentation Video

[Click Here to Watch the Video >](#)

# **Today's Agenda**

## **11:20 User Group News**

- **Meetings This Month (5 min.)**
- **How to Access Recordings of Past Online Forums –**  
**[www.vectorvest.ca/blog](http://www.vectorvest.ca/blog) (Category - Online Forums)**

# User Group Meeting Notices

For more information including agendas, maps and driving directions, go to:

1. VectorVest Views
2. Any Friday
3. User Group Section

For webcast recordings and to register for upcoming Forums and Webinars, please go to:

[www.vectorvest.ca](http://www.vectorvest.ca) Click on Live Events.

User Group Location	User Group Leader
<a href="#">Alabama, Huntsville</a>	Tom Homsley
<a href="#">Arizona, Scottsdale</a>	Bob Nelson
<a href="#">Arizona, Tucson</a>	Wesley Derbyshire
<a href="#">Arkansas, Little Rock-Fort Smith</a>	Wendy Johnson
<a href="#">Australia, Adelaide</a>	Christopher Boast
<a href="#">Belgium, Ghent</a>	Tom Van Noyen
<a href="#">Belgium, Mechelen</a>	Tom Van Noyen
<a href="#">California, Lincoln</a>	Steve Greenfield
<a href="#">California, Orange County</a>	Stanley Carson
<a href="#">Canada, Alberta, Calgary</a>	Lloyd Dille
<a href="#">Canada, Alberta, Edmonton</a>	Faye McRae
<a href="#">Illinois, Chicago</a>	Howard Solomon
<a href="#">International Online User Group Forum</a>	Stan Heller
<a href="#">Iowa, Des Moines</a>	Mike Sherman
<a href="#">Ireland, Dublin</a>	John Murnaghan
<a href="#">Kansas, Kansas City</a>	James Flynn
<a href="#">Netherlands, Amsterdam</a>	Paul Van Deursen
<a href="#">Nevada, Las Vegas</a>	Bob Nelson

# How to Access Articles and Recordings from Past Online Forums

May  
April  
March  
February  
January  
December  
November

1 [www.vectorvest.ca/blog](http://www.vectorvest.ca/blog)

**LEARN THE BEST INDICATORS FOR YOUR INVESTMENT STRATEGY. JOIN US FOR SATURDAY, MAY 7'S ONLINE FORUM.**  
May 4, 2016 | Stan Heller

Our Founder, Dr. Bart DiLiddo has often said, "I believe a stock's price pattern is like its DNA... its past behavior reveals what you should expect in the future." Too often, however, investors clutter-up their graphs with too many technical indicators, often creating mixed signals and confusion. To learn how one of your fellow VectorVest members is using [...]

**» READ MORE**

Posted in **CA ONLINE FORUM**, **Technical Studies**

**A 'WEALTH OF INFORMATION' FROM SATURDAY'S ONLINE FORUM. VIEW THE RECORDING HERE.**  
March 7, 2016 | Stan Heller

**MONTHLY ARCHIVE**  
Select Month ▾

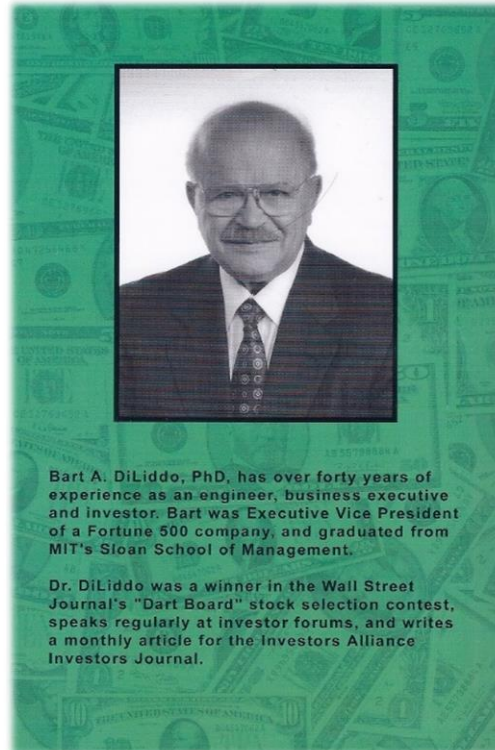
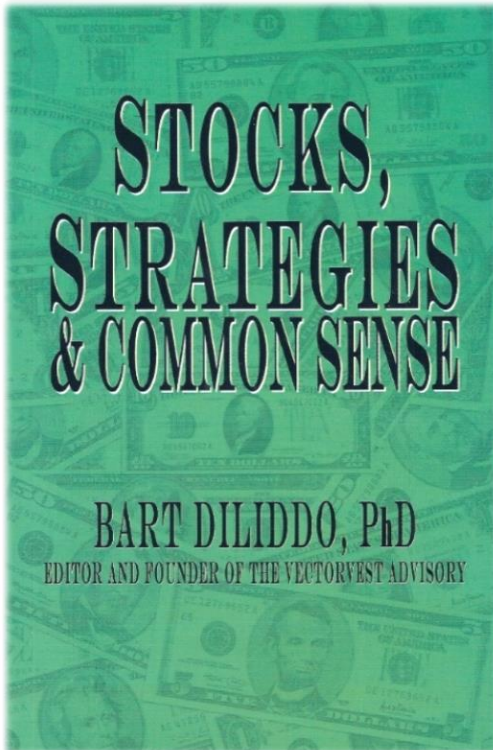
**CATEGORIES**

- **BLOG Description and Mission**
- **CA ONLINE FORUM**
- **Canada Colour Guard Report**
- **Energy**
- **ETF'S**
- **General Education**
- **Gold/Silver**
- **Industry Group Analysis**
- **Investor Questions**
- **Market Timing**
- **Options Strategies**
- **Portfolio Management**
- **Retirement Planning**
- **Stock Analysis**
- **Technical Studies**

# Today's Agenda

**11:30 Special Presentation (60 min.)**

- **Live Interview with VectorVest Founder, Dr. Bart DiLiddo**



# Young Investors and RISK

## Myth #5 – Young People Can Afford To Take High Risk: – P. 8

“Of all the myths in the market, this may be the cruelist and most foolish. Everyone knows the that the elderly are not supposed to take risk. They must be very conservative because their earnings power is limited. They can’t afford to lose their money! *Well, who decided that young people could afford to lose their money?*”

“Young people have an invaluable asset on their side, however. Time. They don’t need to take risk. They can invest in tried and true companies that make money year in and year out. At 10% growth, their investments will double every seven years. By the time baby is off to college, that initial safe investment has increased by a factor of eight.

“When you have time, you can afford patience. Patience pays off in the market.”

# How Long Might I Hold This Stock?

**Relative Safety (RS)** provides the key to how long one might expect to own a stock. Companies that have long records of consistent, predictable financial performance, low debt, high profitability, and solid earnings growth are very stable. These stocks all have high Relative Safety ratings.

– P. 60 and P. 61

Portfolio Turnover Rate in Percent Per Year:  
A Function of Relative Safety

Percent Turnover	Relative Safety
200	0.50
100	0.75
50	1.00
25	1.25
10	1.50



***Next Online Forum: Saturday, July 2  
at 11:00 am Eastern / 08:00 am Pacific***

Let's share your questions, your trading methods and stock ideas at our next Forum!

Please send me your comments and ideas at [stan.heller@vectorvest.ca](mailto:stan.heller@vectorvest.ca)

**Thank you for joining us today!**