Is Knowing *What Already Happened* in the Market Superior to Predicting its Future?

Three (3) Examples that Demonstrate the Efficacy of Reading Current Market Facts (What is Known)

The historical examples below show the benefit of keeping track of the market's weekly technical tone (accumulation/distribution behaviors in stocks) as it unfolds to better manage risk. For each analysis period (weekend), the market's weekly price & volume technicals within individual stocks were collected/analyzed BEFORE the next trading week. While none of the examples below could've predicted the future outcomes, history certainly shows the importance of *attention to detail in the current market* (what is known) and how it can play a big role in risk management if one listens to the market each weekend.

1. **May 6, 2010 (Flash Crash) –** Here's my real-time weekly research from 4/30/10-5/2/10.

   On May 6, 2010, the Dow Jones Industrial Average fell 1,000 points intraday. Many investors were shocked by the sharp move lower. However, the Week Ending (WE) April 30th showed heavy distribution behaviors in stocks. This was clear from a weekly chart review on May 1-2 (5 days ahead of May 6th). Without question, stocks registered very negative price behaviors the week before it crashed and it served as a "heads-up" to those focused on technical facts. The big decline (9% intraday) on May 6th started a 17% correction that didn't find a bottom until July 1, 2010.

   Weekly Chart Review for the Week Ending 04/30/10: Market finished **-2.55%** with **net distribution behaviors in stocks.** **The following week (WE 05/07/10), the market fell 6.40% and began a much deeper correction that included sharp declines in many stocks.**

2. **Market Correction 2011 –** Here's my email that highlights the negative price behaviors for the WE 07/29/11.

   On August 1, 2011, the market started a 7-day, 15% slide that found a low on August 9th. The swift decline was one of the steepest in recent memory, but a weekend chart review found negative price behaviors within stocks for the Week Ending 07/29/11. Following the initial break in the market (WE 08/12/11), it then briefly rallied, but continued lower until it finally bottomed on October 4, 2011.

   Weekly Chart Review for the Week Ending 07/29/11: Market finished **-3.95%** with **net distribution behaviors in stocks.** **The following week (WE 08/05/11), the market fell 7.20%.**

3. **Market Low Fall 2014 –** Here is my fact collecting from Saturday, October 18, 2014.

   The market bottomed on October 15, 2014 and rapidly began a 14% rally into December. Some felt that the market (S&P 500) could fall a lot more, but the Week Ending 10/17 featured abundant accumulation behaviors within stocks. This was a fact from the market that took priority over all other subjective market comments/opinions.

   Weekly Chart Review for the Week Ending 10/17/14: Market finished **-1.02%,** but had **net accumulation behaviors in stocks.** **The following week (WE 10/24/14), the market rallied 4.10% and began a 7 week advance that lasted until 12/05.**

   Note: Example #3 shows the importance of reviewing weekly price behaviors within stocks every weekend. For the WE 10/17/14, the market finished lower for the week, but stocks had positive accumulation behaviors underneath the surface of a negative market (S&P 500), a positive divergence to note.

   ***All examples relied on acknowledging simple market facts and didn't use any predictions to analyze the market.**