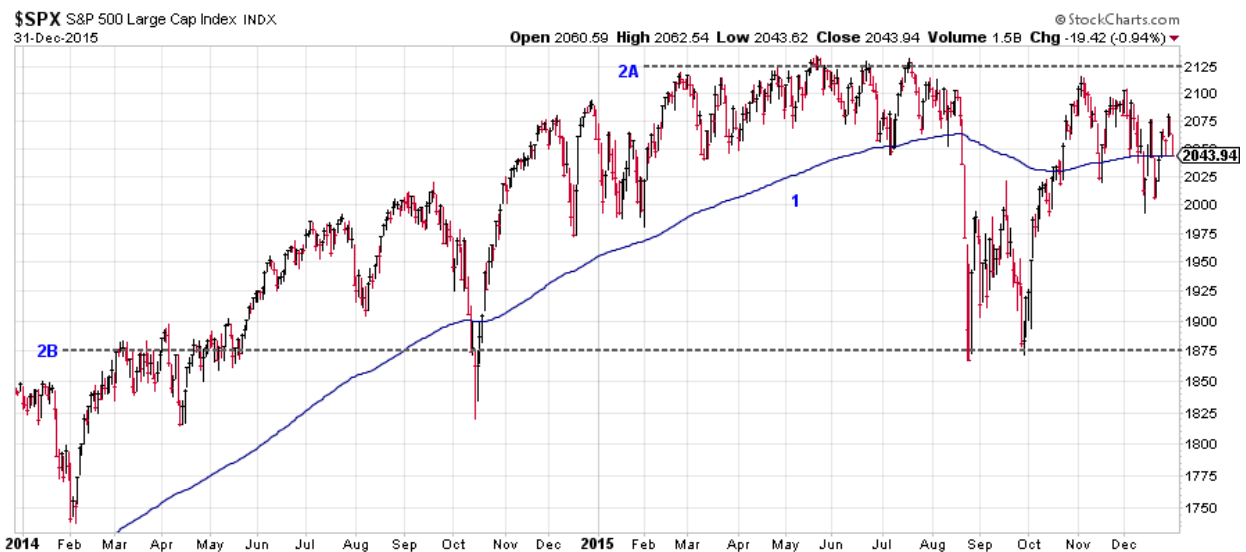




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## Our view of the United States Stock Market<sup>1</sup> at Blue Line Investing for the month ending December 2015



### **Commentary:**

After a Phase 1: WARNING<sup>2</sup> during September of this year, the market has recovered and is currently above the blue line (#1)<sup>3</sup>. However, the stock market appears to be contained within a sideways consolidation channel, bounded at 2,125 (#2A) on the top and 1,875 (#2B) on the bottom. Until either of those price levels are tested and broken through, the market is likely to remain confined within this price range.

<sup>1</sup> The S&P 500 Index is one of the most commonly followed equity indices, and many consider it one of the best representations of the U.S. stock market, and a bellwether for the U.S. economy. It is comprised of 500 large companies having common stock listed on the NYSE or NASDAQ.

<sup>2</sup> Please view the presentation under "Our Approach" on the About Us page found at [www.BlueLineInvesting.com](http://www.BlueLineInvesting.com) for additional information.

<sup>3</sup> Blue Line Investing (BLI) is a disciplined investment process, based on technical analysis research. The process applies trend-following, along with observations of the moving averages of the market. Key to the process is the "blue line", which is derived from comparing an investment's price against its moving average. BLI monitors those activities over time in order to determine allocations within client accounts.

## **Disclaimers:**

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volumes. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets may not always follow patterns.

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