

# Systems & Forecasts

Timing the Market Since 1973

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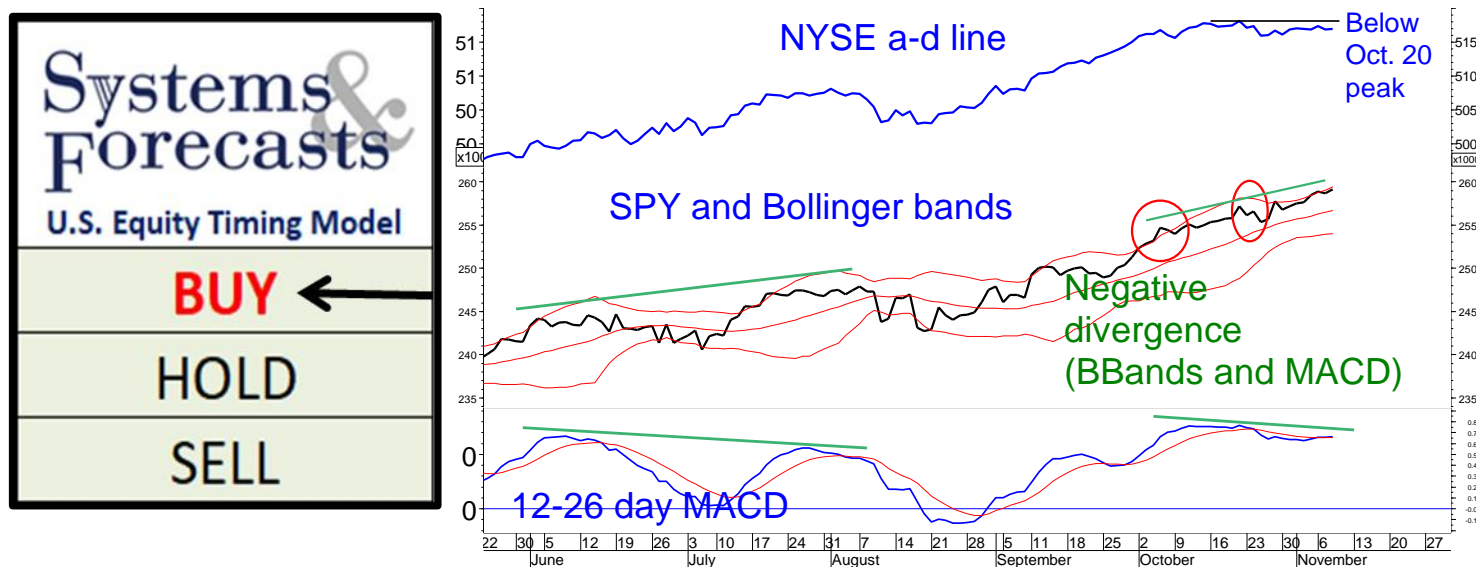
**State of the Market:** After touching new highs on November 8 the S&P 500 Index is opening lower today. The NYSE advance-decline line hit its peak on October 20 and so did not confirm the price gains in the S&P 500 that have occurred since then. This is consistent with the notion that stocks may face headwinds for the next several weeks as they work off an overbought condition as indicated by MACD and Bollinger bands. (See chart below.)

Our models remain overall bullish, so any downside risk should be modest. We recommend riding out any volatility that may arise, even if caused by diminishing prospects for tax reform if the president's plan should run into trouble.

The chart below shows that in October there was a negative divergence between price (which made a new high) and Bollinger bands (where price touched the upper band in early October but not in late October). Nonetheless, SPY climbed to a new high on Nov. 8. MACD is relatively overbought and may form a negative divergence (bearish). Although prices can remain overbought for extended periods, any deterioration from overbought levels is likely to extend at least 2%. The lower Bollinger band at 254

(Continues on page 2.)

Figure: SPY, MACD, Bollinger bands and A-D line.



## State of the Market

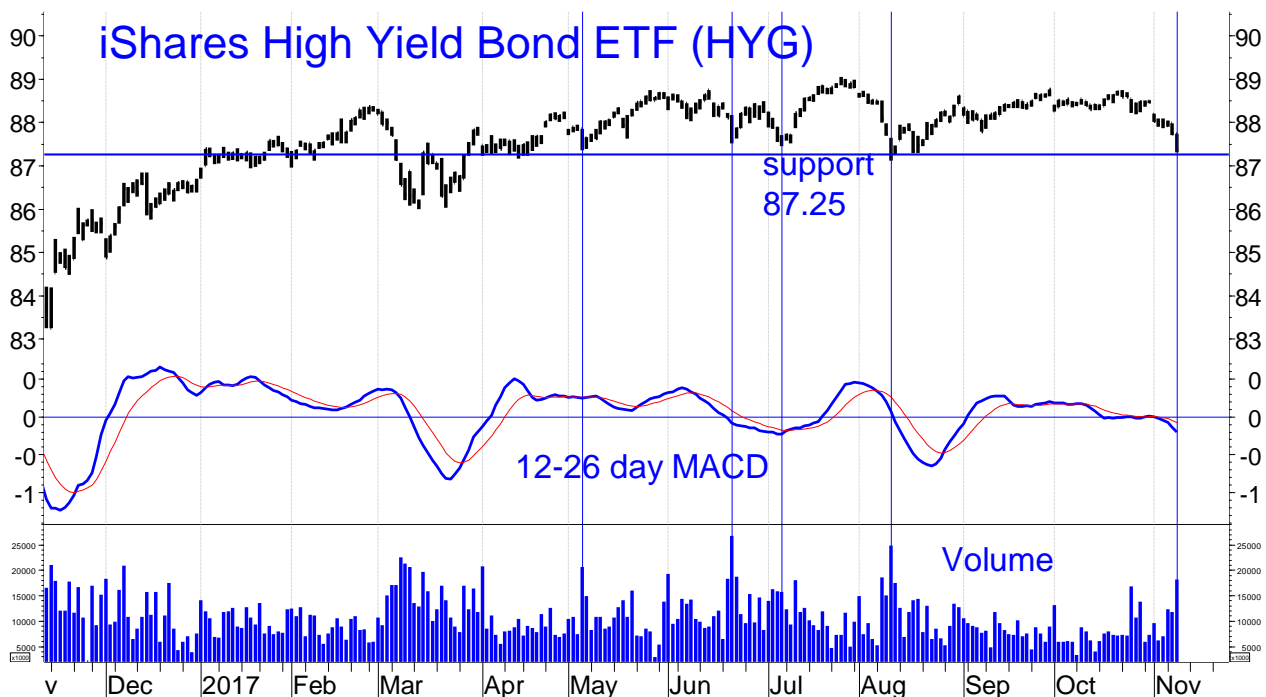
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is a potentially strong support area. In the setting of an overall bullish market climate, bottom fishing at 254 would be recommended.

### High yield bond update

The iShares Corporate High Yield Bond ETF (HYG) has been selling off since Oct. 20. Fortunately, open-end high yield bond mutual funds are holding up better. HYG has now fallen to a potential support area around 87.25 with a coincident spike in volume (see chart below). In May, June, July and August similar pull backs bounced from this support level. Our high yield bond timing models remain on buy signals, and as long as that is the case risk should be contained. You should continue to hold high yield bond fund positions (or take profits on at most a fraction of them).

Nonetheless, we recently took profits on some of our clients' high yield bond fund positions in order to avoid giving back gains coming into the next sell signal, whenever that may occur. It could take several months before we learn whether or not that proves to be a successful decision.—Marvin Appel



## Watch Closely Russell 2000 (IWM) and Technology (QQQ) For Direction

By Bonnie Gortler

Who would have thought the major average averages would be in a steady uptrend since late August? There has been no decline of more than 3% on the S&P 500 index as the market climbs the wall of worry to record highs. Short term price uptrends and support levels remain intact in the major averages.

The Russell 2000 (IWM) has been in a consolidating pattern since October 4. Several times the IWM has tried to (Continues on page 3.)

## Watch Closely Russell 2000 (IWM) and Technology (QQQ) For Direction

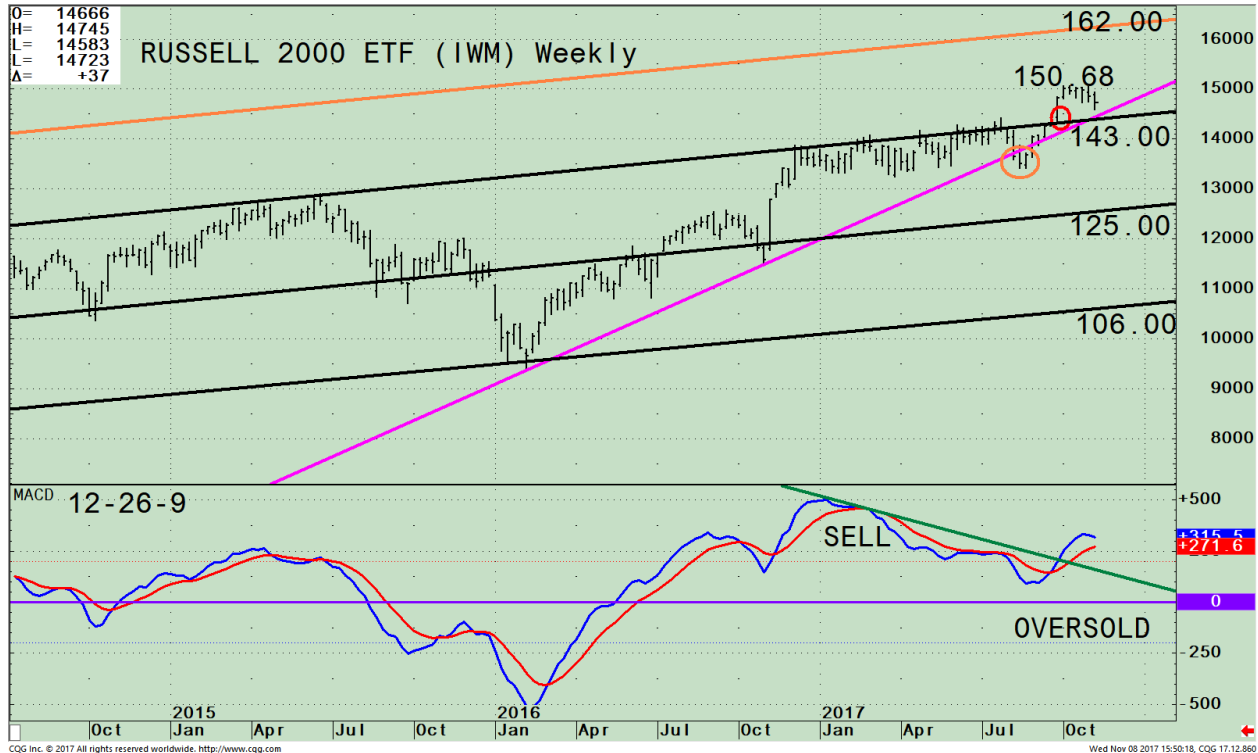
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break out to the upside. However, it's a bit worrisome the latest rally attempt failed this week. Also a point of concern, investor sentiment is showing very high optimism. In the past, at these levels short-term declines have started. On the other hand, the Volatility Index (VIX) that measures fear is near its lows, a positive sign, and favorable seasonality has begun.

### Watch the Movement of Small Caps Closely

Weakness in the Russell 2000 (IWM) or sudden weakness in Technology stocks (QQQ) would be a sign a short term pullback is likely. A bullish sign would be if the Russell 2000 (IWM) index were to stop its present decline, reverse and take out the highs made on November 1. In addition, if the Russell 2000 (IWM) could outperform the S&P 500 (SPY), new 52-week highs begin to expand, and volume increases on up days, while new 52-week lows contract, this would be positive for the market.

### The iShares Russell 2000 Index (IWM) Weekly Price Channel, Upside Objective Channel, and 19-26-9 Week MACD



The top portion of the chart shows the weekly iShares Russell 2000 Index ETF (IWM) which is made up of companies with a market capitalization of between \$300 million and \$2 billion. The IWM made a high of 150.68 on 10/09/17, breaking out above its upper channel. A consolidation followed with the IWM confined in a tight trading range, but has since turned down. Even so, IWM is holding above an important support area.

The good news is during the short-term decline, the IWM remains above the weekly uptrend (pink line) while the other major averages are holding their ground.

The lower portion of the chart is MACD, a technical indicator that measures momentum. MACD peaked in January 2017, confirming the price high. The MACD sell turned out to be premature. The IWM consolidated while MACD (Continues on page 4.)

## Watch Closely Russell 2000 (IWM) and Technology (QQQ) For Direction

(Continued from page 3.)

weakened but didn't get oversold, and go below 0. In September MACD turned up, broke the down trend (black line) not confirming the October high, and is now starting to roll over, showing a sign of a loss of momentum. It's a little early to know if MACD will continue to decline or if MACD will turn up and have enough strength to make a new momentum high.

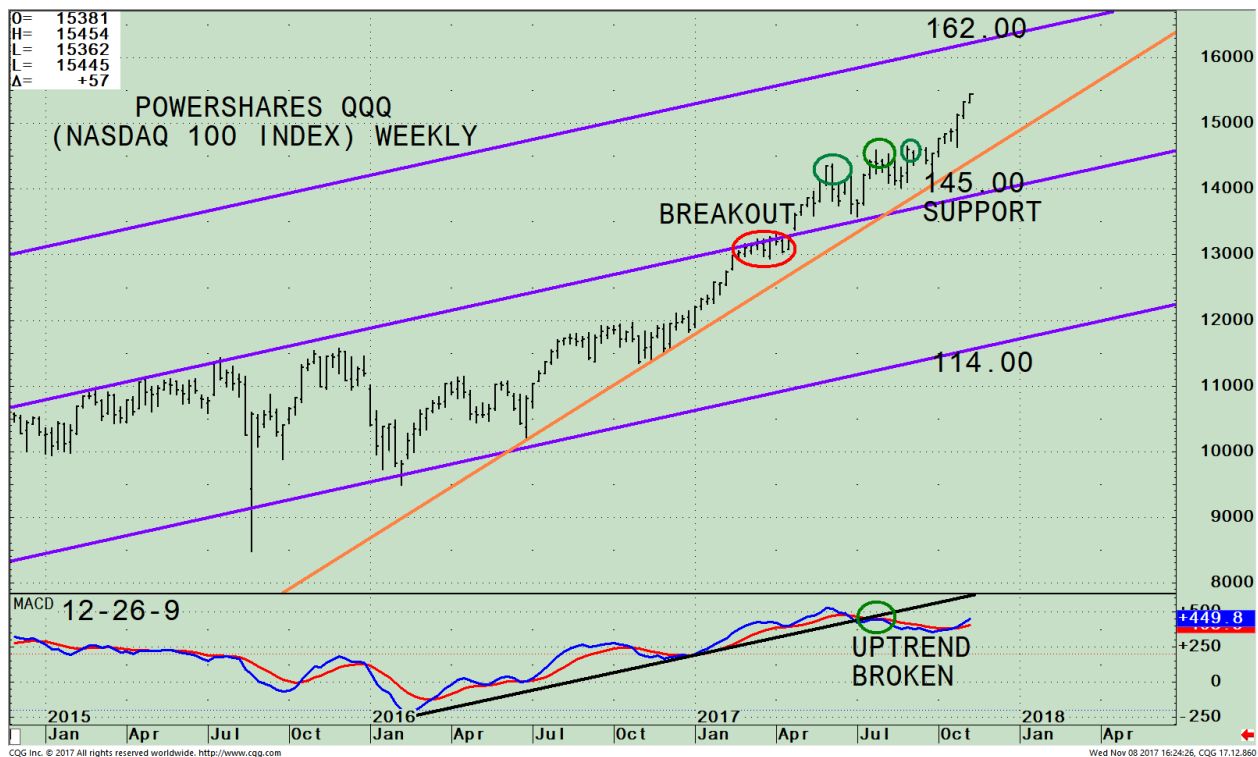
The Russell 2000 (IWM) support is at 143.00. Resistance is at the old highs at 150.68 with an upside objective of 162.00.

### Summing Up:

With our models in the most favorable condition and favorable seasonality, I am looking for the short term decline in the IWM to reverse and at least challenge the old highs at 150.69 and potentially reach the upper channel at 162.00. If the IWM were to close below the lows made on 08/18/17 at 134.12 (circled in orange), this would negate my bullish view.

### Intermediate Uptrend Continues In Technology Despite Slowdown in Momentum

#### PowerShares QQQ ETF (Nasdaq 100 Index) Weekly Price and Trend Channels (Top), and MACD 12-26-9 (Bottom)



The top part of the chart shows the weekly Power Shares 100 (QQQ), an exchange-traded fund based on the Nasdaq 100 Index, and its operative trend channel (purple line).

The QQQ includes 100 of the largest domestic and international nonfinancial companies listed on the Nasdaq

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## Watch Closely Russell 2000 (IWM) and Technology (QQQ) For Direction

(Continued from page 4.)

stock market based on market capitalization. As of 11/7/17, Apple, (AAPL) is the largest holding comprising 12.47%, Microsoft Corp (MSFT) 8.96%, Amazon.com, Inc. (AMZN) 7.45%, Facebook, Inc. Class A (FB) 5.90%, Alphabet Inc. Class C (GOOG) 4.96%, and Alphabet Inc. Class A (GOOGL), 4.33 % totaling 44.07%.

The QQQ breached the middle channel after a 9-week consolidation (red circle) on 04/24/17 and continues to make new highs with only small pullbacks along the way. The intermediate price trend remains up as long as the QQQ is above its uptrend line (orange). Support is at 145.00 and the upside channel objective at 162.00. If the QQQ falls below 145.00, on a weekly close, (an unlikely event), this would change the intermediate trend from up to down, implying weakness potentially to the lower channel at 116.00.

The bottom half of the chart is MACD (12, 26, 9), a measure of momentum. There has been no MACD confirmation of the highs made in QQQ as it did in June. However, it is a positive sign MACD has turned up, after the negative divergence in MACD (green circles) and the uptrend is broken. I recommend keeping an eye on the top holdings in the QQQ over the next several weeks for an advanced warning of a trend change.

### In Sum:

Technology continues to be in favor, outperforming the S&P 500. As long as the QQQ is above 145.00 on a weekly close (orange line), more gains are likely toward the upper channel objective at 162.00. Our models are positive and price uptrends are intact so there is a good reason to expect a year-end rally. Be aware of a short term decline to start if small caps remain weaker than the S&P 500, the top holdings in the QQQ begin to falter, and the uptrends are violated. However, the trend is your friend. Continue to enjoy the ride.

I would love to hear from you. Please call me at 516-829-6444 or email at [bgortler@signalert.com](mailto:bgortler@signalert.com) to share your thoughts or ask me any questions you might have.

## Upside potential with reduced risk

By Joon Choi

In my latest article in the October 26<sup>th</sup> issue, I discussed that the Dow Jones Transportation Average (DJT) may be pointing to an increase in volatility despite the onset of the historically favorable period for stocks (November through April). I was concerned with some bearish chart formations in the daily and weekly charts of DJT. Today, I want to update you on a key development and also present an attractive investing strategy with reduced downside risk.

### Recap of last article

At the time of my last writing, DJT had formed a head and shoulder pattern (bearish formation) in its daily chart with an implied downside objective of 9,470 (it's currently at 9,624). In addition, the weekly chart was on the verge of completing a negative divergence between the price and the 19-39 week MACD. As of last week, the

(Continues on page 6.)

## Upside potential with reduced risk

(Continued from page 5.)

MACD officially turned down and this may be an indication that a further price drop in DJT is likely. The initial downside price objective based on trading channels is 9,300 and if it doesn't hold that level, then we may see 8,700 (Chart 1).

### Additional sign of stock market weakness

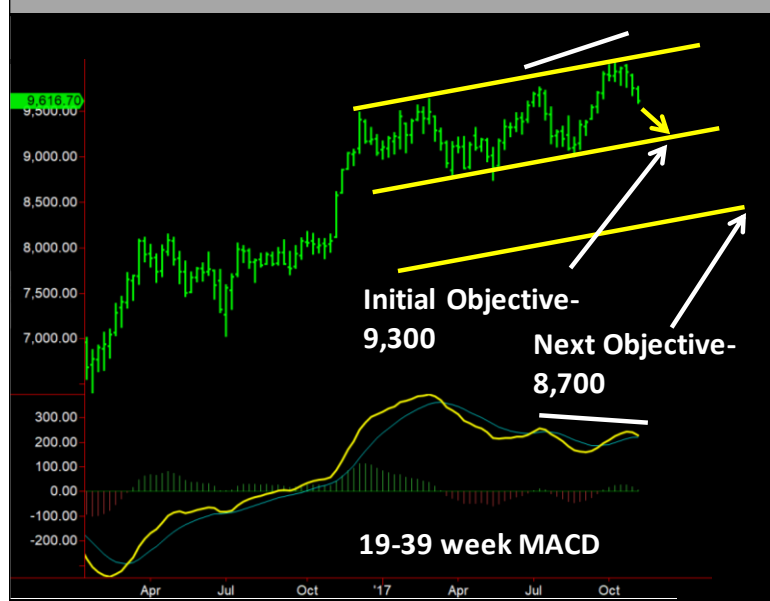
Strength in small cap stocks is usually a good sign that the prevailing rally will continue; however, IWM (small cap ETF) has been weakening lately. In fact, IWM has drifted lower 2.2% since October 3<sup>rd</sup> while SPY advanced 2.3%. Moreover, a negative divergence will be formed in the weekly IWM chart if IWM closes on Friday at \$147.20 where it is as of this writing (Chart 2). But, if IWM closes above \$148.19 by the week's end the bearish formation will not be completed because we would not have the turn down in the MACD.

### Strategy recommendation

So, how can you take something off the table without reducing stock market exposure? The answer is to use the low volatility environment towards your favor. The CBOE volatility index (VIX) is near historical lows which means option premiums are also very low. My recommendation is to replace your SPY position with deep in the money SPY call options. For example if you own 1,000 SPY in your portfolio and you want to convert them into an equivalent call option position, then buy 10 contracts of 12/18/2018 call options with a \$240 strike (each contract gives you the option to buy 100 SPY at \$240). You will be paying 3.4% for the time premium which the strategy will underperform SPY in addition to 13 month of dividends that you would not receive (2%). So if SPY closes at or above 240 at the expiration date of 12/18/2018, the total slippage could be 5.4% when the strategy is compared to holding SPY outright. However, you could put the remainder of the money to work to offset some of this 5.4% potential under-performance.

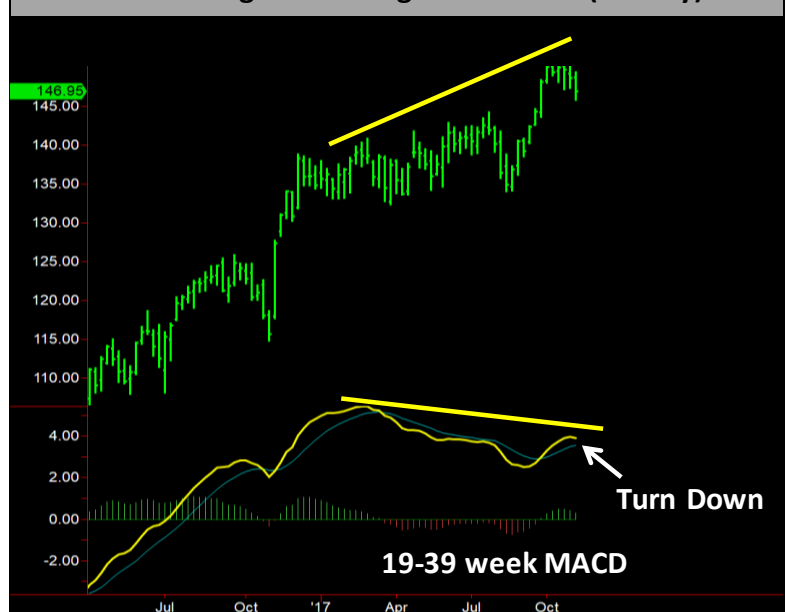
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**Chart 1: Weekly target for Dow Jones Transportation Avg**



\*As of November 7th, 2017

**Chart 2: Negative Divergence in IWM (weekly)**



\*As of November 7th, 2017

is the amount that



## Upside potential with reduced risk

(Continued from page 6.)

The options will cost 11% of the overall equity exposure that you would be replacing; meaning there would be 89% cash remaining in your portfolio. I recommend investing this portion into FPA New Income (FPNIX) which is a very stable bond fund with little sensitivity to short-term rate increases. For example, when the 10-year Treasury yield rose from 1.37% to 2.6% in 2016, FPNIX saw a gain of 0.8% whereas, AGG lost 4.2%. This fund currently has a 2.6% annual yield; so you would earn 2.5% from this investment until option expiration (13 months' income of 2.8% X 89%).

Hence, the total cost for this strategy is 2.9% (5.4% - 2.5%) which is how much you will lag SPY's performance if SPY remains above 240 at option expiration. The benefit of the option approach is that the downside risk is capped at 11% (cost of the option) no matter how large a market correction may occur. With so many uncertainties surrounding the U.S. political landscape (i.e. tax reform), it may be prudent to trade a little performance for risk management. We welcome inquiries on how Signalert Asset Management can custom tailor your account to your personal needs.

## What You Need to Know About Life Insurance—A Primer (part 1)

By Marvin Appel

*"In this world nothing can be said to be certain, except death and taxes."*—Benjamin Franklin

Life insurance holds out the promise of addressing the two inevitabilities of death and taxes. However, you need to be a careful consumer in order to get the best value from what can be a very complicated purchase. The goal of this article is to help you ask intelligent questions of your insurance agent to make sure the insurance you get achieves the best balance of costs and benefits for your overall financial plan.

### The death benefit

The death benefit is the essential component of life insurance. This is a payment to the beneficiary of the policy after you die. Death benefits can be important if your family or business is depending on your being a productive earner. The amount of life insurance that you take out should, if affordable to you, be sufficient to meet your financial obligations. For individuals these might include: remaining mortgage payments, your survivors' living expenses for some years, and children's educational costs. Business uses for life insurance include protecting the business against the impact of the untimely death of a key person or to fund a buyout of the share of the business owned by a deceased partner by a surviving partner.

There are also potential income and estate tax benefits to some life insurance products. Life insurance premiums are paid with after-tax dollars (usually), so death benefits are generally not subject to income taxes. We will have more to say about estate tax benefits below, and about income tax benefits in part 2 of this article.

### How much life insurance do you need?

There is no single answer to this question. Rather, the optimal amount of coverage depends on your particular situation. However, for those readers seeking death benefits to help their survivors meet financial obligations, here are some rules of thumb that provide a good place to start.

(Continues on page 8.)

## What You Need to Know About Life Insurance—A Primer (part 1)

(Continued from page 7.)

The simplest strategy is simply to purchase coverage amounting to ten times your annual income. A more refined estimate is to purchase the amount of coverage needed to replace your survivors' anticipated expenses for a set number of years. For example, you might purchase coverage to replace the income you would have earned until your youngest child graduates college. Or you could estimate how much you would like to contribute towards your children's college, add that to the remaining balance on your mortgage and other loans, and add that to the number of years' income you want to replace to get a total amount of coverage.

Note that the amount of coverage you might want today can be different from the amount of coverage you might need in ten years from now. If you expect to need less coverage in the future, you can purchase multiple term life insurance policies (defined in part 2) with the expectation that some of your coverage will lapse in the future when your insurance needs are lower. The link below to Nerd Wallet ([www.nerdwallet.com](http://www.nerdwallet.com)) has an interactive calculator that can help you get started.

<https://www.nerdwallet.com/blog/insurance/how-much-life-insurance-do-i-need/>

### Life insurance to fund legacy bequests to your heirs

Suppose your survivors' foreseeable needs are already provided for, but you wish to be sure to leave an inheritance to them even if you die untimely young. You have three choices to use life insurance to achieve this goal:

1. Buy a policy where the proceeds will go into your estate to be bequeathed according to your will. If your estate is large enough so that the death benefit will be subject to estate tax then you should not pursue this option.
2. Have your heirs buy a policy and make a gift of the premiums to those heirs. If the premiums are less than \$14,000 per year per beneficiary then no gift or estate tax will be due on either the premiums or the death benefit.
3. Set up an irrevocable life insurance trust to own the policy, then make a gift of premiums to the trust. If the premiums are less than \$14,000 per year per beneficiary then no gift or estate tax will be due on either the premiums or the death benefit.

Note that bequests to spouses (who are U.S. citizens) are not subject to any estate tax. Therefore, the strategies that involve making a gift of insurance premiums to your heirs or to a trust will reduce estate taxes only when the intended beneficiaries have a different relationship to you (e.g.: non-spouses or spouses who are not U.S. citizens).

### Life insurance trusts

The advantage of a life insurance trust is that the trustee has control of the funds used to pay the premiums and of the death benefit. This is helpful if the beneficiaries are minor children or if you are concerned about the financial prudence of your adult beneficiaries. The downside is that you need to have a trustee you can trust. You also have to bear the expense of hiring a lawyer to draft the trust. In my experience this can cost in the neighborhood of \$2,000.

Lastly, there is a procedure for making a gift of the annual premiums to the life insurance trust which involves the trustee issuing a written notice to the beneficiaries informing them when a gift has been made to the trust. The

(Continues on page 9.)



## What You Need to Know About Life Insurance—A Primer (part 1)

(Continued from page 8.)

trustee must give the beneficiaries a window of opportunity (typically 30 days) to withdraw the gift instead of allowing the trust to use it to pay the life insurance premiums. (This is called a Crummey letter.)

### Pay for life insurance or invest instead?

Let's suppose you have \$14,000 each year to give to each of your intended heirs. Are those heirs likely to end up with more money if that gift is invested or if it is used to pay life insurance premiums? The answer depends on how long you live, of course, and also on future investment returns. If you are destined to live to age 100 then your heirs will probably be better off investing your gifts than waiting for a life insurance policy to pay off. Conversely, if you are destined to die younger than average, life insurance will end up being more profitable.

The first approach should be to purchase the least expensive coverage that will give you the desired death benefit. This is usually what is called a term life insurance policy. (We will discuss different types of life insurance in part 2.) If the premium on this policy is less than \$14,000/year then the remaining gift can be invested. This gives you the best of both worlds: If you die early the death benefit provides for your heirs. If you live a long time then the compounded investment returns will represent the payoff.

### Conclusion

Two of the main reasons to buy life insurance are to provide for your survivors' living expenses if you die during your earning years, and to provide a financial legacy to your survivors. The amount of insurance you should buy depends on your remaining financial obligations and on your ability to afford the premiums.

If your goal is to avoid estate taxes then you should not own a life insurance policy outright. Rather, either your heirs or a trust for their benefit should own the policy. Instead of paying the premiums yourself, you make a gift of the funds to pay the premiums to the policy holders (your heirs or a life insurance trust).

In the next installment we will review different types of life insurance policies that you can choose from. The costs and benefits of each vary widely.

### Signalert Asset Management

**Publisher of Systems & Forecasts**

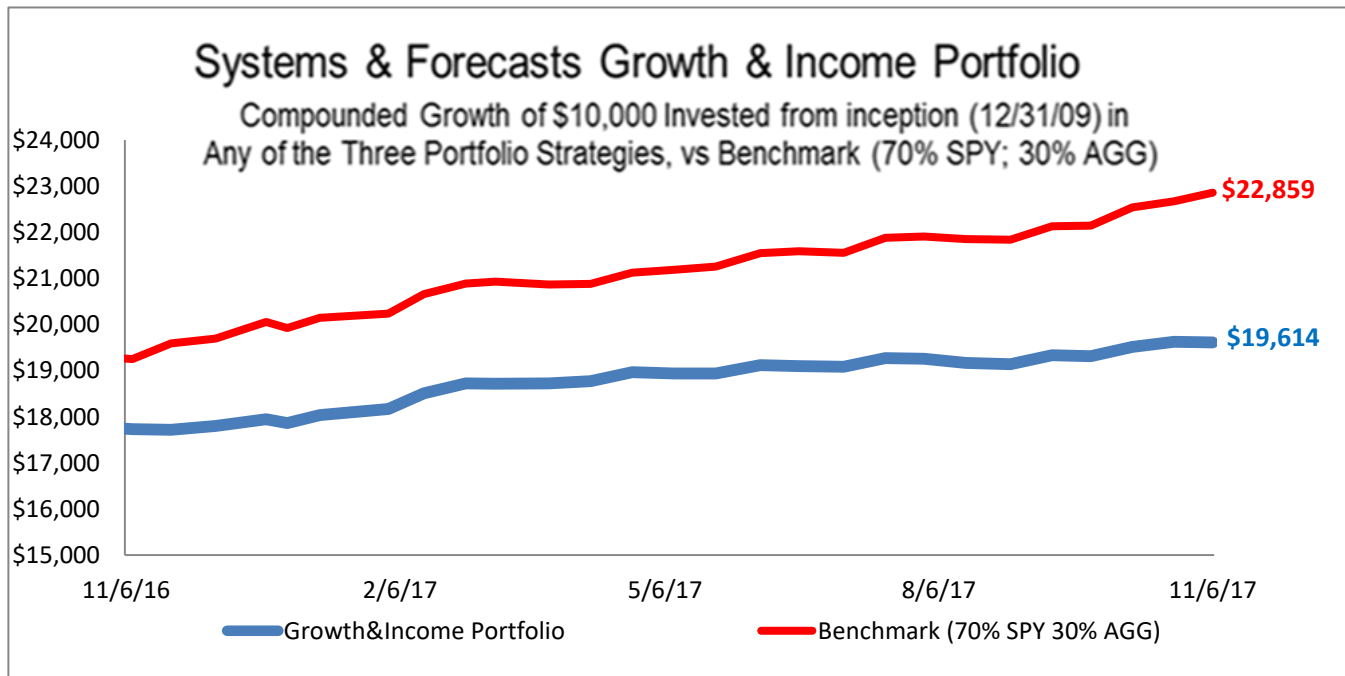
We manage accounts starting with as little as \$50,000 and can accommodate a range of investment objectives, from highly conservative to aggressive. We also offer tax-advantaged programs and can customize a portfolio to meet any individual needs you may have. All of our programs employ risk management with the goal of making your accounts safer than the relevant market benchmarks.

## Systems and Forecasts Growth & Income Portfolio

Symbol	Fund Name	Objective	Allo	Buy Date:	Buy Price:	11/6/17	% G/L *
<b>S&amp;P Sector Rotation</b>							
XLF	Financial Select Sector SPDR ETF	Finacial	10.00%	11/1/2017	\$26.64	\$26.75	0.41%
XLB	Materials Select Sector SPDR ETF	Materials	10.00%	9/1/2017	\$55.43	\$58.58	6.23% *
XLY	Consumer Discret Sel SPDR ETF	Consumer Discret.	10.00%	11/1/2017	\$92.02	\$92.37	0.38%
<b>Bond Funds:</b>							
TDHIX	Transamerica High Yield Bond	High Yield Bond	30.00%	12/14/2016	\$9.16	\$9.38	7.65% *
<b>Trading / Covered Call Writing Strategy :</b>					<u>Cost Basis</u>		
SPY	SPDR S&P 500 ETF	Large Blend	10.00%	11/1/2016	\$211.01	\$258.85	24.94% *
SPY	SPDR S&P 500 ETF	Large Blend	10.00%	12/16/2016	\$225.04	\$258.85	16.56% *
SPY	SPDR S&P 500 ETF	Large Blend	20.00%	10/31/2017	\$257.15	\$258.85	0.66%

\* Includes dividends as cash

Growth & Income Portfolio	
G&I YTD Portfolio return as of Nov. 6, 2017	9.77%
Benchmark YTD return as of Nov. 6, 2017	14.71%
Portfolios do not include money market interest when in cash, sales commissions or expenses.	



## Systems and Forecasts High Income Portfolio

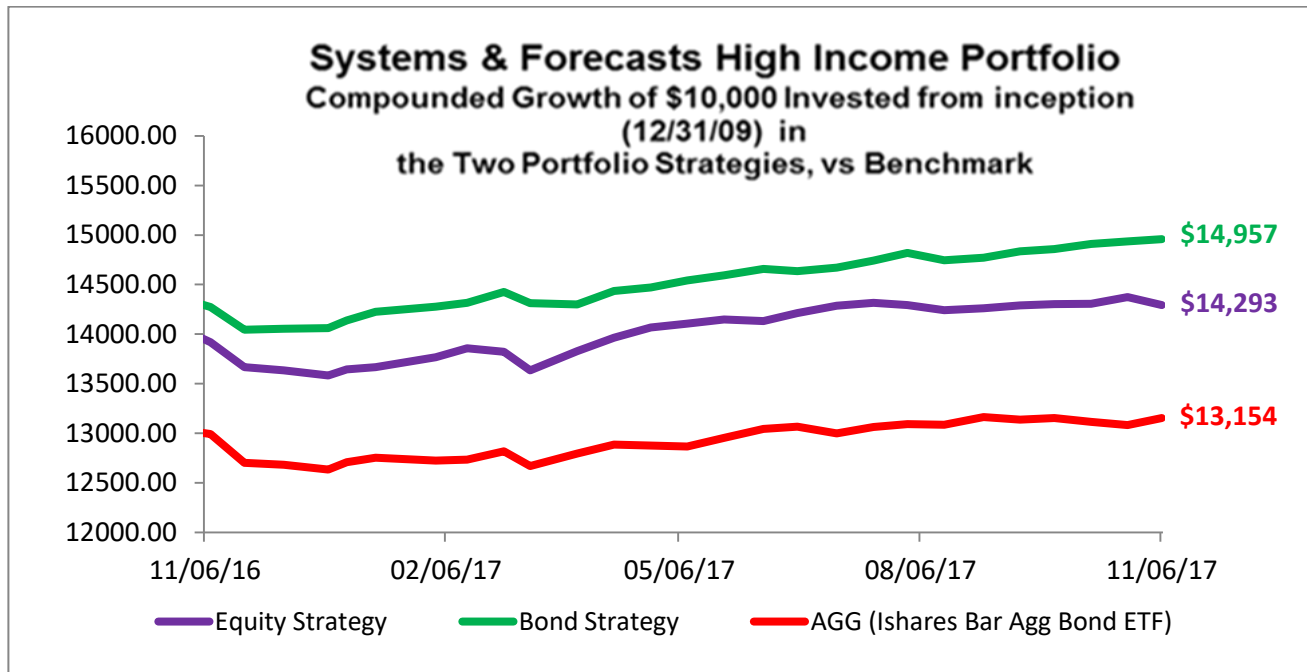
Symbol	Fund Name	Objective	Allo	Buy Date:	Buy Price:	11/6/17	% G/L *
<b>High Dividend Strategy:</b>							
CYS-PB	CYS Inv, 7.50% Series B Cumulative Red. Pref Stk	Mortgage REIT Preferred Stk	5.00%	8/25/2017	\$24.95	\$24.44	-0.17%
NLY-PE *	Annaly Capital Management Preferred E *	Mortgage REIT Preferred Stk	5.00%	5/5/2014	\$23.90	\$25.40	34.19% *
GAB-G	Gabelli Equity Trust Preferred G	Preferred Stk	5.00%	5/5/2014	\$23.20	\$24.84	25.93% *
PFF	iShares US Preferred Stock	US Preferred Stock	10.00%	2/28/2017	\$38.70	\$38.23	2.56% *
<b>Bond Funds:</b>							
TGHX	TCW High-Yield Bond N	High Yield Bond	15.00%	3/14/2016	\$6.12	\$6.42	11.93% *
TDHIX	Transamerica High Yield Bond	High Yield Bond	30.00%	12/14/2016	\$9.16	\$9.38	7.65% *
LFRAX	Lord Abbett Floating Rate A	Floating Rate	10.00%	12/9/2016	\$9.22	\$9.19	3.75% *
NHMAX	Nuveen High Yield Municipal Bond A	High Yield Municipal Bond	10.00%	6/1/2017	\$17.07	\$17.37	3.94% *
DLTNX	DoubleLine Total Return Bond N	Intermediate-Term Bond	10.00%	10/6/2014	\$10.97	\$10.69	7.91% *

\* HTS-A Hatteras Preferred A name change

\* Includes dividends as cash

Recommended mutual funds are available at various brokerage houses at no loads for purchase or redemption. Subscribers are advised to verify arrangements at brokerage houses where they trade. If loads are charged, we advise replacing our portfolio recommendations with other similar funds. We advise all investors to read fund prospectus before purchases.

High Income Portfolio	
<b>Hi Inc Port YTD return as of Nov. 6, 2017</b>	<b>5.48%</b>
<b>iShrs Barclays Agg YTD ret. Nov. 6, 2017</b>	<b>3.51%</b>
<b>Portfolios do not include money market interest when in cash, sales commissions or expenses.</b>	



### Indicator Roundup

10 Day Ratio of NH / (NH+NL) on the NYSE is 69.638 and on a Sell.

Relative Strength between S&P 500/Nasdaq favors the Nasdaq.

Corporate Bond Model generated a Buy the week ending 4/21/17.

## Systems and Forecasts Top Performing ETF's

Performance data appears below for our two rosters of top-performing ETF's. *New rosters were created with data as of 11/7/17*, selected from a universe of approximately 1000 Exchange Traded Funds including all styles and sectors except fixed income. The aggressive roster includes all volatility levels. The moderate roster excludes the most volatile ETF's. Average performance of old rosters from **8/30/17 through 11/7/17**: Agg Roster +4.0%; Mod Roster: +5.5%; S&P 500: +5.4%; VT +5.4%.

### Aggressive ETF Ranking

Rank	SYMBOL	ETF Name	OBJECTIVE	Risk 9=High Risk	1 Mo % Change	3 Mo % Change	12 Mo % Change	Return Since 12/30/16
1	REMX	VanEck Vectors Rare Earth/Strat MIs ETF	Specialty - Natural Resources	9	0.70	20.86	73.66	60.79
2	LIT	Global X Mgmt ETF Lithium	Specialty - Unaligned	9	2.51	22.69	67.91	64.11
3	CQQQ	Guggenheim ETF China Technology	Foreign Stock	9	5.59	18.13	59.95	76.27
4	SOXX	iShares ETF PHLX Semiconductor	Specialty - Technology	8	10.62	20.20	61.20	46.54
5	PSI	PowerShares ETF Dynamic Semiconductors	Specialty - Technology	9	7.45	21.47	65.77	50.05
6	SMH	VanEck Vectors Semiconductor ETF	Specialty - Technology	8	9.69	19.33	52.92	45.25
7	JJN	Barclays ETN iPath Bloomberg NickelETN	Specialty - Natural Resources	9	23.11	25.41	13.02	27.69
8	UGA	United States Commodity ETF Gasoline FdLP	Specialty - Natural Resources	9	18.15	23.21	25.10	4.57
9	BNO	United States Commodity ETF Brent Oil FdLP	Specialty - Natural Resources	9	15.28	23.95	29.09	9.25
10	TAN	Guggenheim ETF Solar	Specialty - Natural Resources	9	11.58	9.83	37.74	47.68
11	CHIQ	Global X Mgmt ETF China Consumer	Specialty - Unaligned	9	-1.28	14.19	50.30	58.75
12	ITB	iShares ETF US Home Construction	Specialty - Real Estate	8	5.46	13.44	52.67	43.90
13	PALL	ETF Securities ETF S Physical Palladium	Specialty - Precious Metals	9	7.84	12.23	51.58	45.79
14	FFTY	Innovator ETF IBD 50 Fund	Growth	9	2.63	12.51	50.14	37.39
15	MCHI	iShares ETF MSCI China	Pacific Stock	9	2.66	11.10	43.64	53.87
16	PTH	PowerShares ETF DWA Healthcare Momentum	Specialty - Health	9	0.32	10.90	52.03	43.73
17	ROBO	ExTrd Concepts Robo Gbl Robotics&Autmtn	Growth	5	5.16	12.68	49.50	42.97
18	XSD	SPDR ETF S&P Semiconductor	Specialty - Technology	9	8.78	14.45	42.62	30.05
19	KWEB	Kraneshares ETF CSI China Internet	Pacific Stock	9	0.81	5.53	51.17	69.22
20	KFYP	Kraneshares ETF CSI New China	Growth and Income	9	3.13	12.33	45.84	49.00
21	GXC	SPDR ETF S&P China	Pacific Stock	9	2.27	10.20	41.88	50.80
22	QTEC	First Trust ETF NASDAQ 100 Tech Sector	Specialty - Technology	7	6.13	13.91	46.14	40.26
23	IXN	iShares ETF Global Technology	Specialty - Technology	6	7.62	12.17	43.43	42.12
24	EMQQ	ExTrd Concepts EMQQ EmrgMkts Intrnt&Ecmrc	Diversified Emerging Markets	9	1.69	6.47	48.94	65.76

### Moderate Ranking (Excludes ETF's with Volatilities in Bands 6 - 9)

Rank	SYMBOL	ETF Name	OBJECTIVE	Risk 9=High Risk	1 Mo % Change	3 Mo % Change	12 Mo % Change	Return Since 12/30/16
1	ROBO	ExTrd Concepts Robo Gbl Robotics&Autmtn	Growth	5	5.16	12.68	49.50	42.97
2	RYT	Guggenheim ETF S&P 500 Eq Wt Technology	Specialty - Technology	5	4.18	10.58	38.02	32.78
3	MTUM	iShares ETF MSCI USA Momentum Factor	Growth	5	4.05	8.83	35.43	34.29
4	PPA	PowerShares ETF Aerospace & Defense	Specialty - Unaligned	5	0.65	8.63	38.58	27.44
5	PZD	PowerShares ETF Cleantech	Specialty - Technology	5	2.30	8.27	37.58	31.69
6	XT	iShares ETF Exponential Technologies	Specialty - Technology	4	0.81	6.09	39.68	31.70
7	PXLG	PowerShares ETF Russell Top 200 Pure Gr	Growth	4	2.32	7.28	34.44	33.36
8	PWB	PowerShares ETF Dynamic LargeCap Gr	Growth	4	2.82	8.03	30.72	27.45
9	DIA	SPDR ETF Dow Jones Industrl Avg	Growth	3	3.54	7.16	32.06	21.32
10	IWY	iShares ETF Russell Top 200 Growth	Growth	4	3.90	7.37	31.78	28.02
11	MXI	iShares ETF Global Materials	Specialty - Natural Resources	5	2.44	7.21	29.00	25.48
12	IVAL	Valueshares ETF Int'l Quant Value	Growth	5	3.54	6.51	31.44	29.60
13	FEP	First Trust ETF Europe AlphaDEX Fund	Foreign Stock	5	1.68	4.48	36.59	32.85
14	IPKW	PowerShares ETF Int'l BuyBack Achiev	Growth	4	3.26	6.02	31.46	26.99
15	VONG	Vanguard ETF Russell 1000 Growth Index	Growth	3	3.24	7.06	30.25	26.14
16	IWF	iShares ETF Russell 1000 Growth	Growth	3	3.19	7.09	30.15	26.02
17	CUT	Guggenheim ETF Timber	Specialty - Natural Resources	5	0.78	8.16	31.65	24.71
18	ONEQ	Fidelity ETF Nasdaq Composite Stock Fund	Growth	5	2.81	6.24	32.11	26.58
19	FDT	First Trust ETF Dev Mkts Ex US AlphaDEX	Foreign Stock	4	2.98	5.49	30.20	30.44
20	PWC	PowerShares ETF Dynamic Market	Growth	5	2.39	7.46	28.34	17.04
21	JKE	iShares ETF Morningstar LargeCap Growth	Growth	4	2.84	5.97	29.90	27.17
22	EWJ	iShares ETF MSCI Japan	Pacific Stock	3	6.54	8.22	21.79	22.87
23	JPNX	iShares ETF JPX Nikkei 400	Pacific Stock	4	6.80	7.79	21.84	22.81
24	FJP	First Trust ETF Japan AlphaDEX Fund	Pacific Stock	5	6.73	8.73	21.17	24.36

**Trading fees vary according to brokerage arrangement. Please check the fund prospectus prior to investing in any security.**



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