



Bert Dohmen's Fearless ETF Trader™

“Celebrating our 39th Year of Guiding Investors Successfully”

Issue # 32- February 18, 2016

(Last Fearless ETF Trader sent: February 17, 2016)

MARKET DATA:

	LAST	CHANGE	% CHG
DJIA	16413.43	-40.40	-0.25%
Nasdaq	4487.54	-46.53	-1.03%
S&P 500	1917.83	-8.99	-0.47%
Russell 2000	1004.71	-6.43	-0.64%
Global Dow	2161.66	2.91	0.13%
Japan: Nikkei 225	16196.80	360.44	2.28%
Stoxx Europe 600	328.91	0.14	0.04%

Issues	NYSE	NASDAQ
Advancing	1,604	1,127
Declining	1,517	1,699
Unchanged	84	90
Total	3,205	2,916
Issues at		
New 52 Week High	36	20
New 52 Week Low	28	58
Share Volume		
Total	4,426,014,318	1,942,630,838
Advancing	1,758,581,489	684,987,982
Declining	2,616,521,677	1,241,805,064
Unchanged	50,911,152	15,837,792

MY VIEW:

Yesterday we wrote:

A 3-day rally is usually followed by a pullback unless the rally shows a lot of strength. That pullback should come tomorrow as first resistance levels on indices, and many stocks, have been reached.

Today we saw that pullback, as the major indices opened with gains then slipped lower throughout the day, all closing in negative territory. The NASDAQ Comp, the leader over the past two rally days, was the weakest index today after losing more than 1%. The DJI closed only slightly lower today, as IBM's 5% gain helped support the index.

Looking at the internals, declining volume was greater than advancing volume by a ratio of 1.5:1 on the NYSE, while the ratio was a slightly higher 1.8:1 on the NASDAQ. These aren't lopsided volume numbers, but it does show the three-day rally had peaked. The markets will now pull back 2-3 days if the rally is going to go higher. On the other hand, if the bears are able to push the S&P 500 below 1872 on a closing basis, it would suggest that the rally may be done.

Biotech was much weaker, along with Energy and the financial sector was noticeably weak.

Crude oil settled slightly higher today, as the EIA oil inventory report showed a 2.147 million barrel build in crude inventories compared to last week's 0.754 barrel draw. That is negative for oil prices.

The decline is not enough to conclude an end to the rally. However, we don't see how an agreement to maintain current record output will cause oil prices to rise. Therefore, we think this rally is an attempt to make the short sellers nervous. At the top of the rally, the big smart money will sell short again.

Now we will see FOMC (FED) members making softer statements, and suggesting that future rate hikes will take time. They have to lay the groundwork to cutting rates again, and eventually going to NIRP (negative rates). As we always say, never think the Fed leads. Today St. Louis Fed President James Bullard made such comments. He said that the Fed can afford to wait in raising rates. That is considered negative for bank earnings.

Walmart declined 3.0% after giving poor guidance on future sales and earnings. The company has had negative earnings growth the past three years. It reflects the consumer. Apple, Facebook, and Alphabet were all down. The biotech ETF (IBB) declined 2.6%.

Gold and silver, plus their mining stocks, had a good day. Gold was up 2.3%. This sector is acting very nicely.

Utilities were also strong. The trend toward LED is accelerating. That means electrical consumption in the US will be reduced. That might seem bearish, but it means that utilities will not have to build new capacity for a while, saving billions.

US Treasuries were up after the recent pullback from an accelerated rise.

The FCC decided today that people can replace the cable box from their provider with a different box. Apparently, they would not have to pay for a bundle of channels, 90% of which they never visit. In this year's 24/7 coverage of absolutely boring political campaign coverage, which is pushing all important international news aside, many viewers will use this as a reason to "cut the cord." In addition, they have 5-7 consecutive ads, then about 4 minutes of content,

followed by more ads. Imagine, you are paying to see ads. The total cost for leasing cable boxes is \$20 billion per year nationwide.

We only need two channels: Bloomberg and BBC (British Broadcasting). After that, we go to WiFi and to Netflix, Amazon, etc. You can buy local channels with a simple \$39 antenna from Costco.

The Philadelphia Fed Index was down to -2.8 for February. The zero line is the divider between expansion and contraction. This makes it the sixth straight month general business conditions have been below zero. It's amazing that most economists and analysts still insist that there is no recession in sight.

Citigroup announced that it will exit retail banking in Argentina and Brazil. They probably see that these countries are facing severe financial turmoil. Good move. They will probably maintain a presence for corporate clients.

The best looking sectors are US Treasuries and the precious metals sector.

CURRENT POSITIONS:

We would have no positions at this time.

NEW IDEA—BUYS:

We would buy no more than 15% for each.

MARKET VECTORS GOLD MINERS (GDX)—closed at 18.90.

GLOBAL X SILVER MINERS (SIL)—closed at 22.95.

VANGUARD UTILITIES (VPU)—closed at 100.66. Looks great.

New subscribers: any of the above would be OK for new positions

CONCLUSION:

As you know, we called the rally when it started. Our view is that it is nothing but a bear market rally. We don't know how long it will last or how high it will go. Our methodology is not to gaze into a crystal ball, which doesn't work very well, but just let our indicators **identify the turn** when it occurs.

Experience suggests that there will be another rally attempt after a brief pullback. And then we have to look carefully at the strength and weakness. Counter-trend rallies are treacherous and

usually cause the impatient to lose all the profits they made during the last plunge. We don't want to do that. Cash is also an investment position.

Wishing you successful trading,

Bert Dohmen and team

P.S. Read my article on Forbes.com about Why The Next Two Years Could Be Worse Than 2008! **Click or copy this link:** <http://onforb.es/1nDwy3r>

Important: *Always remember that the ultimate decision of what to buy, sell, and sell short is up to the individual. Our information, forecasts, and securities are merely suggestions. You should always research all investment opportunities yourself.*

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CHECK OUT the most recent “BERT DOHMEN IN THE MEDIA” links:

2/14/2016: Bert Dohmen On Forbes: Is Gold Making A Triumphant Comeback?
<http://onforb.es/1Tmnpb1>

2/11/2016: Bert Dohmen on Financial Sense: He Wants You to Panic Like It's 2008 (or Worse!)
<http://bit.ly/1TXnK4j>

2/9/2016: Bert Dohmen On Forbes: Is It Too Late For Investors To Panic?
<http://onforb.es/1WeDmiG>

1/29/2016: Bert Dohmen On Forbes: Why The Next Two Years Could Be Worse Than 2008
<http://onforb.es/1nDwy3r>

1/21/2016: Bert Dohmen on Newsmax: 'We Are in a Huge Deflationary Crash'
<http://nws.mx/1Prr41v>

1/6/2016: Here Comes The Recession And Bear Market
<http://dohmencapital.com/comes-recession-bear-market/>

12/24/2015: Bert Dohmen on Rich Dad Radio Show: What Are You Gonna Do?
<http://bit.ly/1Qnl5eQ>

12/17/2015: Why Apple Will Enter A Bear Market In 2016

<http://dohmencapital.com/why-apple-will-enter-a-bear-market-in-2016/>

12/13/2015: Has the Global Credit Crisis Started? (chart video)

<https://www.youtube.com/watch?v=5hQVLiZ8mfw>

12/6/2015: Warning Flags! (chart video)

<https://www.youtube.com/watch?v=4nqxY6lLOWQ>

12/3/2015: Bert Dohmen on Power Trading Radio

<https://www.youtube.com/watch?v=Hm0A1GHtD7A>

11/25/2015: Retail Needs A 'Christmas Miracle'

<http://dohmencapital.com/retail-needs-christmas-miracle/>

11/20/2015: What's ahead for the China market? (chart video)

<https://www.youtube.com/watch?v=-cZrUx1T-Uk>

11/12/2015: The End of a 7-Year Bull Market? (chart video)

<https://www.youtube.com/watch?v=AS4y3OKFCSE>

11/9/2015: Can China Reflate Its Economy?

<http://dohmencapital.com/can-china-reflate-its-economy/>

11/5/2015: The SHANGHAI INDEX: BULL or BEAR? (chart video)

<https://www.youtube.com/watch?v=5W5NiHNlx0A>

11/5/2015: Year-End Rally Now, But Then What?

<http://dohmencapital.com/year-end-rally-now-but-then-what/>

11/3/2015: Energy looks bullish...for now (chart video)

<https://www.youtube.com/watch?v=Ni9PrXM7DDI>

11/2/2015: S&P 500 and what clues are the Junk Bonds giving now 11-2-2015 (chart video)

<https://www.youtube.com/watch?v=TSoxmRKVWho>

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Our new KINDLE BOOK: **FINANCIAL APOCALYPSE**

Do you want to detect the next global financial crisis before all the Wall Street analysts do? Here is how.

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how we detected all the signs of the approaching crisis while Wall Street and Washington were apparently, or intentionally, oblivious to the all the warnings.

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WHAT "AREA" MEANS IN Fearless ETF Trader™:

When I give advice to buy or sell in certain price area, I do it so that not all of our orders are sitting at exactly the same price. By "area", I mean a range. Our rules of thumb are as follows:

[< than \$15] = ± 0.25; [< than \$30] = ± 0.50; [< than \$50] = ± 0.75; [< than \$100] = ± \$1.00; [> than \$100] ± \$1.50.

NOTE: Because we have been publishing this service much more frequently than what was promised, some subscribers may think that this is a daily service. **We will publish a new update whenever the Dow Jones Industrials Index has a daily change of 120 points or more, or if there is a very important event or news items which will affect our positions.** That way we can preserve our time and energy for analyzing new, potential opportunities, rather than just repeating what happened in the markets on a boring day. We are confident that our loyal subscribers will understand this.

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BOOKS by Bert Dohmen

E-Book “THE COMING CHINA CRISIS,” (October 2011) No bubble grows forever. China’s real estate disaster.. **\$25.-**

FINANCIAL APOCALYPSE (May 2011) A step by step account of the 2008 financial crisis. **\$25.-**

PRELUDE TO MELTDOWN (September 2008) The truth behind the Global credit crisis. **\$15.-**

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