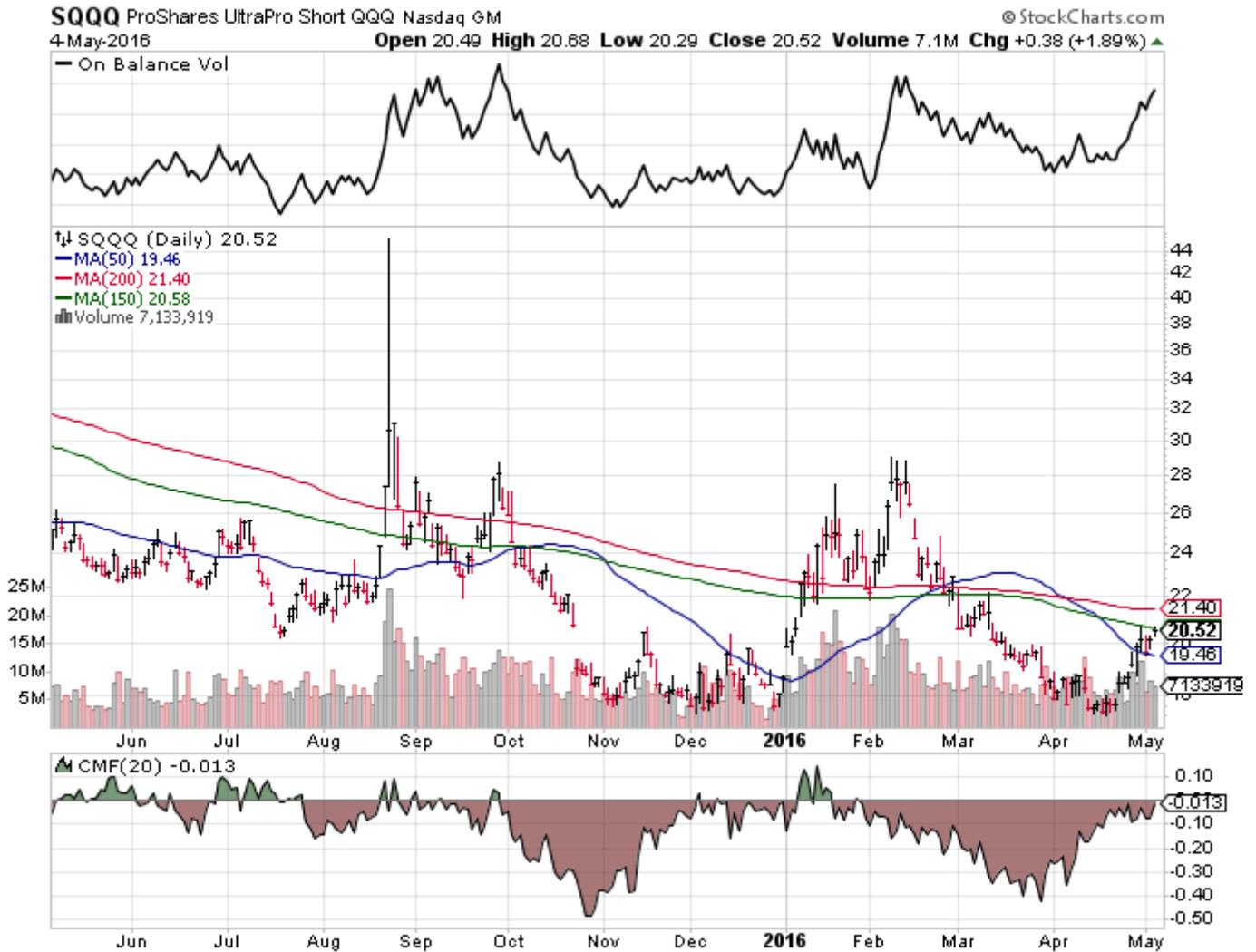


LOTM – Ideas - Trades – Charts

Correction or Bearish Trend Developing?

SQQQ – TZA - GRZZX

This is the Chart of the Nasdaq 100 Bearish ETF. It shows by its rising chart pattern we are correcting the market rally off the Feb 2016 lows. Remember this is an inverse picture.



What looks like support, is actually resistance due to the inverse nature of the index. This has to be respected. The ETF appears to be at a point where it could pull back in price and that would be a good point to target accumulation of shares. NOTE: The price has

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crossed above the 50-day and is right at the 150-day moving average. (1) I like the trading approach of three buy-ins with the second and third being only at prices lower than the first price (a mini dollar cost averaging process) and/or (2) should the price break high then using pull backs to add to the position if at higher prices. I hope this trading description is comprehensible. Keep a stop loss on the “average” position cost, but only after you have decided you are finished the buy-in process. A 10% to 12% of the average cost price is a reasonable stop loss price.



[TZA another inverse ETF](#), is a little behind the SQQQ in developing a bearish (inverse) pattern. This goes along with comments we have

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made that there appears to be some rotation away from big name toward smaller name stocks. I am using the price relationship to their respective 50-day moving averages to support this comment.



I like the idea of owning the [Grizzly Fund](#) but it is not a trading vehicle and requires \$10,000 minimum investment if not in an IRA. There is no sales charge on the fund but there is a 2% exit fee if sold within 60 days of purchase.

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