

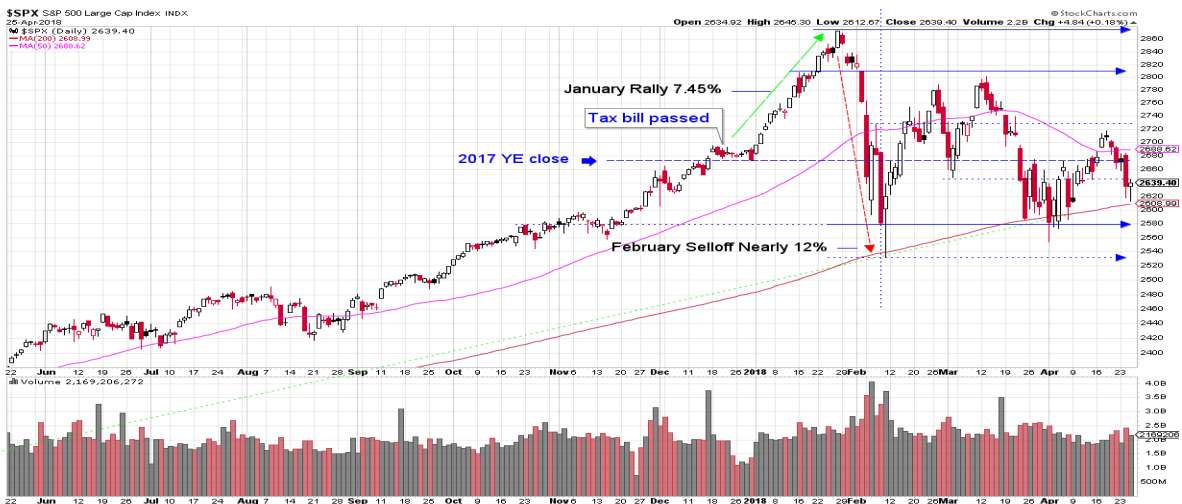
# THE TAPE READER

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April 25, 2018

## Sideways Market Action Likely To Continue

Thomas Edison invented his version of the ticker tape machine in 1871. His machine helped in automating the recording of stock prices. The ticker printed the prices and volumes for each stock as trades were made on the exchange. Old school investors would read these tape prints and would use this information to make their next buy and sell decisions. These were the original “tape readers.”

This publication will give you, my client, my best guess as to what “the tape” may be telling us, and what we may expect from the stock market. Over the years, most of us have tried to anticipate stock market moves. You know it is a difficult task at best. Please accept this as my humble attempt to keep you informed of my current thoughts on the market. There are no guarantees as to the accuracy or fulfillment of these statements.



The tremendous year-plus market rally culminated with the market spiking higher in January. Stock market enthusiasm was noteworthy as there was a large increase of “new” or “sidelined” money that was invested in the market during January. The market needed a rest. On cue, the sellers emerged in February creating the most significant sell-off in years. After the long market advance we have had and the ensuing hard sell-off in February, it is normal to expect the market to consolidate or go sideways.

The current volatile tape action may be the intention of the market bulls. Market price volatility may keep the new money on the sidelines, thereby avoiding a blow off rally that could end this party. In the meanwhile, positive underpinnings of the market remain in place as growth in corporate earnings continues worldwide. I remain constructive on the market. As always, we will pay attention to, and respect the sellers.

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