

Point & Figure Update

Balser Wealth Management, LLC
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TECHNICAL INDICATOR CHART

INDICATOR	BULLISH PERCENT LEVEL	TREND	LEGEND:			
			SYMBOL	RISK LEVEL	RESPONSE	
NYSE	43.6	↓ ●	●	High	Defense	
OTC (NASDAQ)	42.1	↓ ●	●	Caution	Plan	
			●	Low	Offense	
TACTICAL ALLOCATION PROCESS						
ASSET CLASS	DOMESTIC EQUITIES	COMMODITY	INTERNATIONAL EQUITIES	CURRENCY	FIXED INCOME	CASH
RISK LEVEL	●	●	●	●	●	●
TALLY NUMBER	94	91	75	27	22	2
EMPHASIS	EQUAL WEIGHT SMALL CAP GROWTH	PRECIOUS METALS ENERGY	EMERGING MARKETS EUROPE (EMERGING)	SWISS FRANC NEW ZEALAND DOLLAR AUSTRALIAN DOLLAR	CORPORATE BONDS INTERNATIONAL FIXED	

FUMBLE?

On Tuesday the football was fumbled. The NYSE Bullish Percent [BPNYSE] reversed down into a column of O's on Tuesday after an increase in new net sell signals, reducing the total number of stocks in the NYSE on buy signals to less than 50%. In the process of reversing down into O's, the BPNYSE also managed to break through the previous bottom formed at 52%.

The recent reversal moves us to "wealth preservation" from "wealth accumulation."

Review your holdings and sell those that are one a relative strength. Sell versus the market.

For those following our TAP Process, US Equities failed the cash bogey check and we will now move to 100% cash.

SECTOR WATCH

Thirty 30 charts changed over the past week. 17 charts reversed down. 6 sectors are now in a column of Xs down from 21 last week. The majority of the activity was to the downside with 29 bullish percent charts moving lower. The average BP reading fell this week to 44.46, this is down -7.45% for the week

TACTICAL ALLOCATION PROCESS

US Equities and Commodities are the top two asset classes. With International Equities holding the third position. To answer the question: "What to do n today's market:"

US EQUITIES failed Bogey Check - Cash
Commodities failed Bogey Check - Cash

Call us at 440-934-3114 to discuss specific recommendations for your retirement and investment portfolio.

TACTICAL ALLOCATION PROCESS

The Tactical Allocation Process or “TAP” was designed to answer the question, “what would you do in the market here?”

We use a six-step top down methodology to identify the strongest asset classes available in your plan in which to invest.

Step 1: Create Inventory

The starting point for our process is to explore where in the world one should be focusing their investments. We do this by creating an inventory. We use multiple ETF’s to represent each of the following asset classes: US Equities, Fixed Income, International Equities, Foreign Currencies, and Commodities.

Step 2: Relative Strength Analysis

We conduct a relative strength wrestling match between the different asset classes with numerous representatives from each particular asset class. Each individual representative (index) is then ranked from strongest to weakest.

Step 3: Rank Each Asset Class

Once that ranking is done, then a cumulative score for each asset class is derived -- a summary, if you will, of That asset’s strength vis a vis others. Think about it like a college wrestling tournament. There are five schools participating in the event, with numerous individual athletes competing.

The athletes compete for both individual place, and that placement contributes toward the overall team score, or placement. The two asset classes with the highest score get to move on.

Step 4: Check Against Cash Proxy

Before either of these two asset classes can gain the emphasized status, each must pass a final hurdle, or satisfy Step Four: “does the asset class outperform Cash?” As long as the given asset’s, such as Commodities or International Equities, relative strength is positive versus Money Market, then it becomes an emphasized asset class. If the asset class is unable to outperform Cash on a relative strength basis, then Cash takes its place.

Step 5: Exposure via Funds Available in Your Plan

Once we have decided upon our emphasized asset classes we then garner exposure via the funds available in your plan. We have produced relative strength based models for each of the six asset classes considered with the corresponding funds available in your plan. So not only are you positioned in the asset classes with the best relative strength, but this takes it a step further, and puts you in the “best of the best.”

Step 6: Daily Monitor

Our relative strength analysis is performed on a daily basis. We rank the asset classes and funds available in your plan every day on relative strength, which helps the portfolio to adapt to what is working. You can think of the ranking system as something like the PGA rankings or the BCS rankings, where the strongest players or the strongest teams get the highest ranks.

What Is Relative Strength?

How a stock (or fund) performs compared to the overall market.

Stocks or funds are either on a relative strength BUY signal or a relative strength SELL signal. Did you know that relative strength signals (buy and sell) last, on average, for TWO YEARS? Meaning a stock or fund that gives a relative strength buy signal today will usually outperform the overall market for (on average) two years. That’s a long time!

Positive relative strength indicates that the asset class/sector has outperformed the overall market while negative relative strength indicates it has underperformed the overall market.

What Is The Bullish Percent or BP?

The Bullish Percent is a “RISK” indicator, not a predictor. It is a simple chart from 0 -100%, that measures the percentage of stocks on a point and figure buy signal.

The only way a stock is on a buy signal is if its price is rising and the only way to be on a sell signal is if its price is declining.

Stocks are on either on a buy signals or sell signals. If the Bullish Percent is rising it tells us we should focus on “wealth accumulation” or defensive strategies . If it is declining , “wealth preservation” or offensive strategies are the focus.

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