

## A closer look at the *Daily Market Update*

In the masthead of each market update, we clearly state our opinion on the current health of the market (Point 1). If we believe that we are in a bull market, we state 'HEALTHY' and if we believe we are in a bear market, we state 'UNHEALTHY'. As you can see in this example, taken from 23rd November 2013, our opinion was that we were in a bull market. We also date each update for easy reference (Point 2).

The first section of our update is called 'Market Behaviour' (Point 3). This is where we share our take on the market's behaviour and tell you what we believe it means. You discover whether we liked the action or not and we explain why we thought the action was good, neutral or not good. What you'll also find in this section are links to charts (Point 4), providing you with the opportunity to further your investment education.

# ISACO

LET'S GROW WEALTH TOGETHER.

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OUR OPINION OF THE MARKET'S HEALTH:  
**HEALTHY**

# Daily Market Update

POWERED BY  
ISACO

Saturday 23rd November 2013

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## 3 Market Behaviour



Stephen Sutherland  
ISACO's Lead Investor and  
Chief Investment Strategist

Yesterday's market action was neutral.

The NASDAQ Composite gained 0.57% in below average volume [\(Point A\)](#).

With the volume rise increasing from Thursday's level, the day is classed as mild institutional buying. The price increase also nudged the US technology index a step closer to the magic 4000 level. It also helped it to make a new 52 week closing high.

Leading stocks action was negative. An almost equal amount of top stocks gained in heavy trade versus those that fell in heavy trade. When this happens on a market up day, it's what we call a beaten divergence.

Even though the market has risen over the last two days, it is currently not giving any clear signals which way it wants to go in the near term. Some of the behaviour we've seen this week has been good and other behaviour not so good.

It appears to us that it is happy to rest at these levels before it makes its next main move to either the upside or downside. Even though we don't know 'when' the next move will come, we are still of the opinion that the next move will be to the upside.

The NASDAQ the market's leading index gained 0.57%. The S&P 600 the market's second leading index rose 0.41%.

For the day sector wise, things were not so good. All three leading sectors we follow were beaten by the

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Index	Change	Volume Change	Volume Compared to its Average	Type of Day
NASDAQ	+0.57%	+2.1%	Below average	Mild professional accumulation
S&P 500	+0.50%	-9.9%	Below average	Gain in tame volume
S&P 600	+0.41%	+5.1%	Below average	Gain in tame volume
DJIA	+0.34%	-9.9%	Below average	Gain in tame volume

Next you'll see a table (Point 5) that shows price and volume changes on the four US market indexes we follow. We also report how the volume on each index compared to its average and our opinion of what type of day it was.

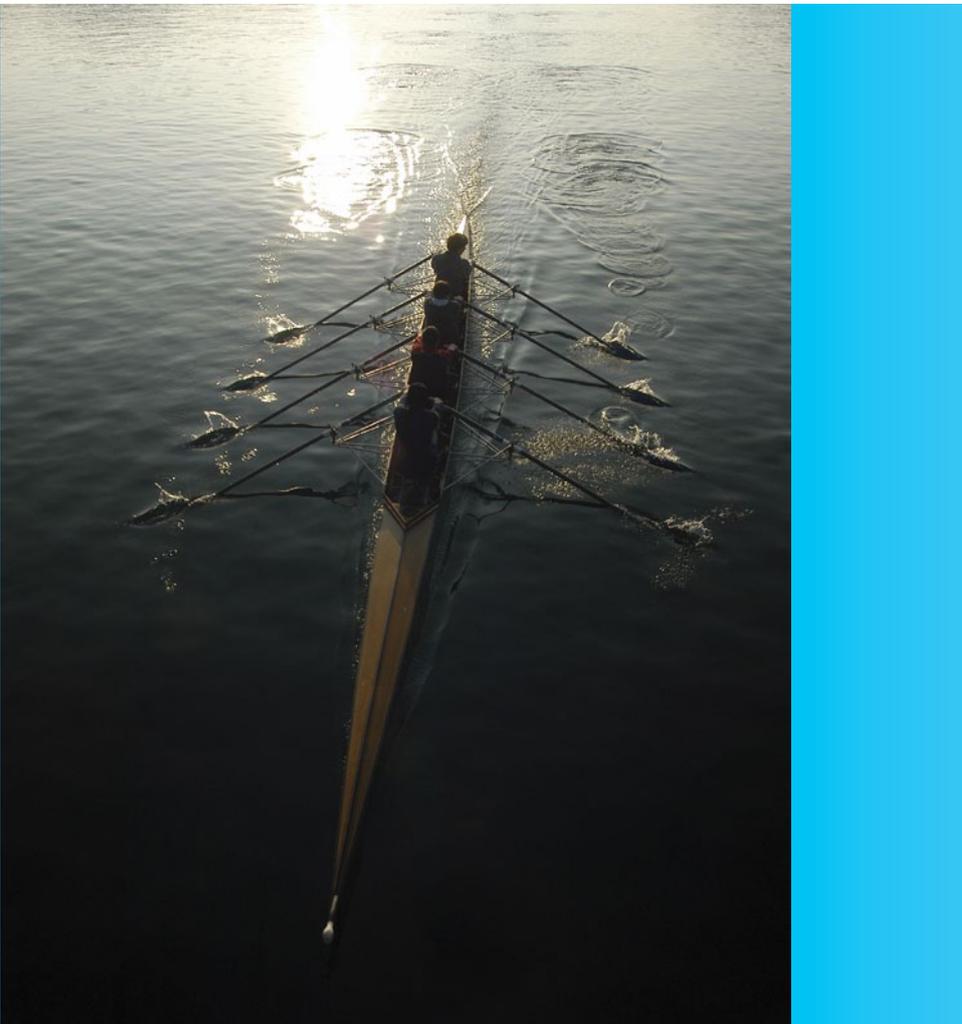
Below the indexes you'll find a section called 'Leading Stocks' Behaviour' (Point 6). When we analyse leading stocks, we look very carefully at how the stock has acted for the day and calculate what percentage of the leading stocks acted healthily versus unhealthily. Ideally, we like to see 80% of the leaders acting healthily.

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## Leading Stocks Behaviour

Leading Stocks Acting Healthy	53%
Leading Stocks Acting Unhealthy	47%

Leaders did not perform quite as well as expected. 53% of leaders acted healthy versus ones that acted unhealthy.



In the next section called 'Our Portfolio' (Point 7) we start by reminding you 'when' we made the last switch in our portfolio, together with an explanation of 'why' we made the switch (Point 8). Below this, we offer a link to a full breakdown of our ISA/SIPP portfolio (Point 9) and below this, a table that shows the funds we currently own, the price we purchased them, the date purchased, the current gain/loss%, the fund's unique ISIN number, and the fund's weighting

in our portfolio. Under the table we state our view on where we believe the market is going to head in the shorter term and the longer term (either bullish, bearish or neutral) (Point 10).

There is also a useful link to a glossary in this section (Point 11), just in case any of the words or phrases contained in the update seem unfamiliar or puzzling.

## 7 Our Portfolio

On Saturday 14th September 2013 we made a switch. If you are curious to why we made the switch, [click here](#) for a full explanation.

9 To get the breakdown of our portfolio, [click here](#).

The table below shows the six funds we own:

Name of Fund Owned	Price Purchased	Date Purchased	Gain/Loss %	ISIN Number	Portfolio Weighting
<a href="#">CLASSIFIED</a>	£1.31	24th July 2012	+55.4%	CLASSIFIED	25.43%
<a href="#">CLASSIFIED</a>	£3.41	24th July 2012	+52.0%	CLASSIFIED	24.86%
<a href="#">CLASSIFIED</a>	£1.66	9th April 2013	+10.8%	CLASSIFIED	18.65%
<a href="#">CLASSIFIED</a>	£0.67	9th April 2013	+0.5%	CLASSIFIED	17.86%
<a href="#">CLASSIFIED</a>	£2.82	9th July 2013	+2.5%	CLASSIFIED	6.93%
<a href="#">CLASSIFIED</a>	£1.92	17th September 2013	+0.7%	CLASSIFIED	6.24%

Our view on which way the market is heading is this: we have a neutral stance in the short-term and a bullish stance in the long-term. It's good to remind ourselves how intelligent investors play the market. During bull markets smart investors sit tight and remain fully invested.

10 Our rule is to *never exit a bull market* even when we believe a correction is imminent. We only exit when we believe the bull market has finally run its course. And so even though the indexes will occasionally correct during a bull market, we will always sit tight.

If any words or phrases in today's edition seem unfamiliar or puzzling, [discover their meaning](#).

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Each update ends with a 'Help and Support' section (Point 12) that gives you the opportunity to speak to us by either email or phone at any given time, should you have a question, comment or concern. Underneath each update is our disclaimer, which is self explanatory and required for FCA (Financial Conduct Authority) compliance (Point 13).

## 12 Help and Support

For help and support, please mail your requirements, your questions, your comments and of course your successes to our [client support team](#) or alternatively you can call on 0800 170 7750 and we'll gladly help.

Yours sincerely,



Stephen Sutherland  
ISACO's Lead Investor  
and Chief Investment Strategist

Follow us on:



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