

To 20,000 and Beyond!

December 24, 2016

Based on history we should be up at least 10% for 2017. Although we may experience a few peaks and valleys in our journey, we believe that investors will be rewarded for their patience of staying fully invested, enjoy the ride.

In the charts below we evaluated how prior markets acted as we approached multiples of 5000 over time. We broke it down into two factors; how long did it take the market to exceed the last 5% of each of the psychological barriers and how long did it take to cover the last 100 points.

How long did it take for the market to cross the last 5% of each 5,000 points of the market level?

Looking at the time it took for the market to cross the last 5% of each of the 5,000 point multiples in history indicates that it takes time, a low of 30 days at 5,000 and a maximum of 64 days at 10,000. For 20,000 we are approaching the 22nd day. It could take another 9 to 55 days based on history.

1- Number of days for Dow to increase the last 5% to exceed the Dow level.

Dow Level	# Days to Cover Last 5%
5,000	30
10,000	64
15,000	47
20,000	21+

Source: Yahoo Finance

However, this time around could be on the shorter time frame as the market is already within 100 points of the level. We looked at the time the market had taken to cover the last 100 points. Although 100 points may be different on a percentage basis for each Dow level, we think that the table below tells a very interesting story. Although the range is 6 to 26 days, currently at 4 days it's possible to exceed 20,000 before New Year's.

2- Number of trading days required to increase the last 100 points to exceed the Dow Level.

Dow Level	# Days to cover Last 100 Points
5,000	7
10,000	26
15,000	6
20,000	4+

Source: Yahoo Finance

What may be more important is what happens after the psychological 20,000 barrier is exceeded? We looked at the 12 months preceding 5000, 10000 and 15000 Dow levels. Each period was up 10% or more. The path post each Dow barrier was quite different, see charts in exhibit A below, with the Dow falling below the initial levels following the 10,000 and 15,000 levels. However, if investors held for the full 12 months they were rewarded with a 10% plus gain. The 5000 level was much different. The Dow pulled back but did not break below the psychological 5000 level. The 5000 level also had the largest 12 month gain at 28% plus, as noted in Table 3 below.

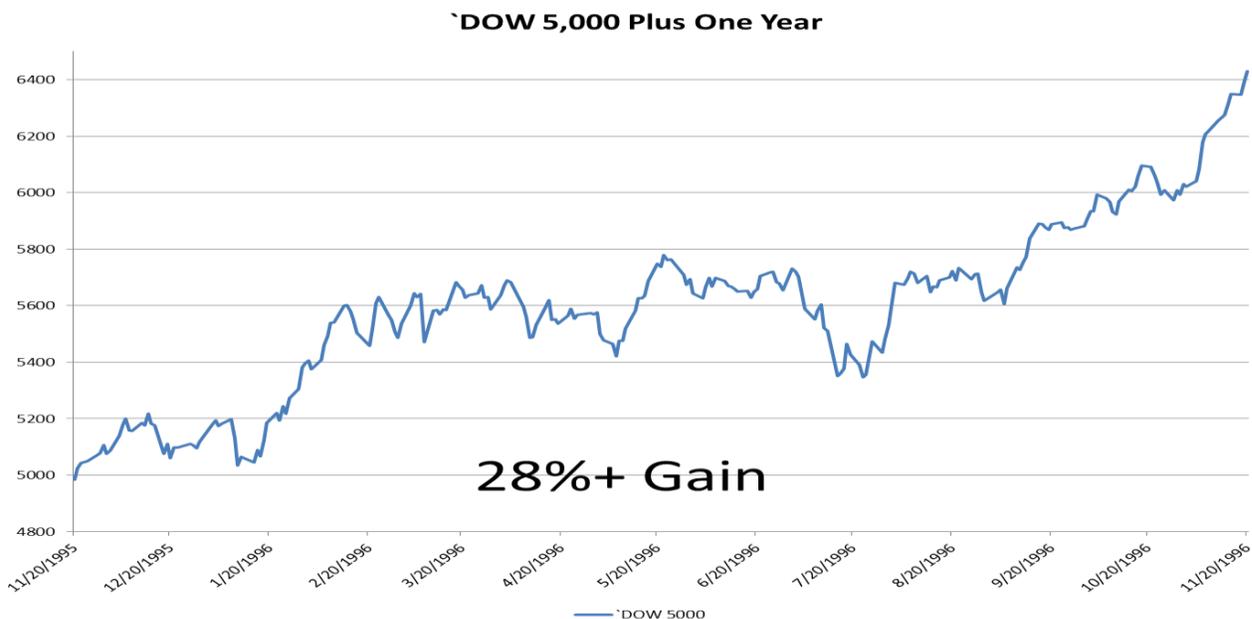
3-Dow appreciation 12 Months after exceeding its Psychological Barrier for the first time.

Dow Level	% Gain 12 months Post
5000	28+
1000	10+
20000	10+

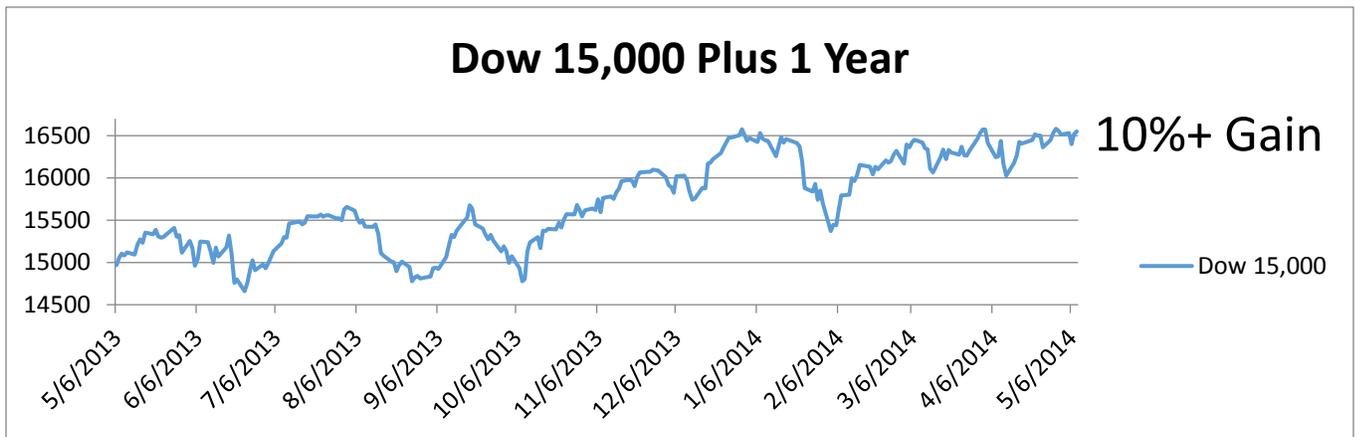
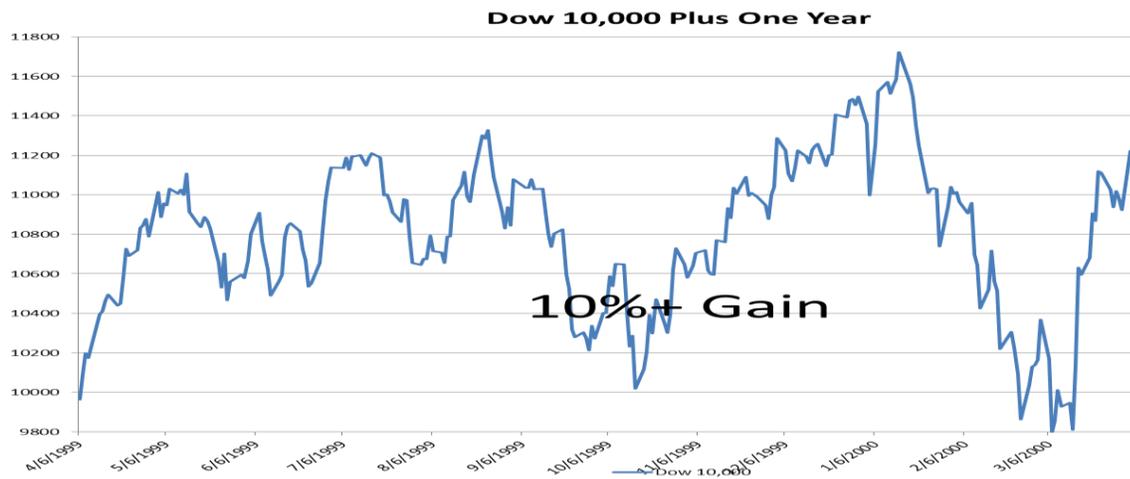
Source: Yahoo Finance

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Exhibit A. Dow performance one year after exceeding a 5000 point psychological barrier.



Source: Yahoo Finance



Source Yahoo Finance

For information on our strategies contact us at (239)-631-8912 or info@qidllc.com.

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