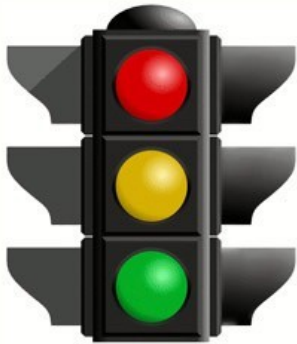




Stock Market Barometer

The Most Influential Financial Newsletter Read By Over 500 Hedge Fund Managers and Thousands of Elite Investors ~ April 1, 2015



Is This Market Fooling You? - Mike Swanson

There is not a single stock pick in this month's newsletter or trading idea for you. NOT A SINGLE ONE. So if you are looking for a pick to make you rich you can put this month's newsletter to the side and just go and watch Jim Cramer tonight, because I'm sure he will have a pick for you as he handed out over 1,000 individual stock picks in 2007 alone.

Ok, now that I have just eliminated about half of the people who were going to read this month's newsletter we can get down to business. The real reason there is no pick in this month's newsletter will be very clear to you by the time you end it. Half of the people in the market are pure gambling addicts who are losing money and are going to end up losing everything they have in the stock market over the next few years. They are trading addicts and cannot STOP BUYING even when it is time to sell. When they make a losing trade they just try to double up in another pick.

There are times to buy stocks and times when it is best not to do so and actually sell and we are now in one of those moments when it is best to be very cautious on the US stock market. Oh yes it is true that opportunities are going to come just around the corner, but they are not here today or this month. And you will not participate in them unless you prepare ahead of time to do so. This is a serious game and you will only succeed in the long-run if you are serious about it. The days of "Fast Money" and gambling it up are over.

I want to ask you one simple question and this is not an April Fool's Day Joke, because you are no fool. But is this stock market fooling you? Everyone is

"You will no longer be fooled by this market like so many are being fooled right now."

STRATEGIC STOCK TRADING

Master Personal Finance Using Wallstreetwindow Stock Investing Strategies With Stock Market Technical Analysis

91.25	91.25	91.25	91.25	91.25	91.25
54.63	54.63	54.63	54.63	54.63	54.63
51.88	51.88	51.88	51.88	51.88	51.88
785.32	785.32	785.32	785.32	785.32	785.32
84.36	84.36	84.36	84.36	84.36	84.36
83.32	83.32	83.32	83.32	83.32	83.32
84.58	84.58	84.58	84.58	84.58	84.58
85.61	85.61	85.61	85.61	85.61	85.61

MICHAEL SWANSON

bullish on the stock market now. There are the fewest number of bears in the Investors Intelligence Survey than there have been in all of years I have been in the market and probably you too. In fact the only time there were fewer people bearish on the market now was in 1987, right before the stock market crashed.

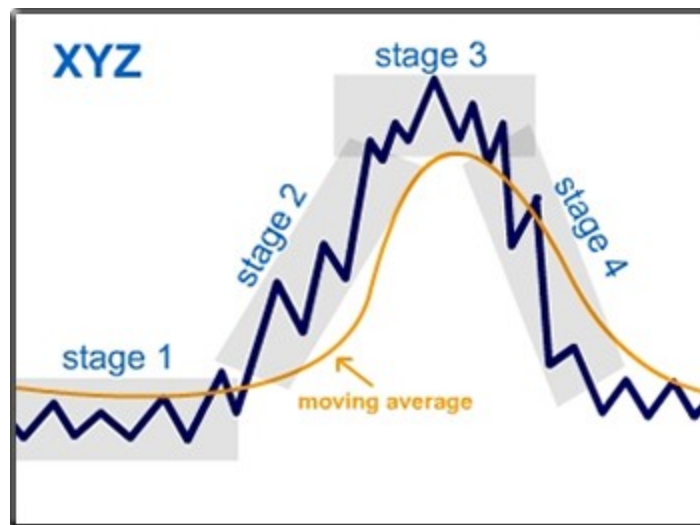
As for people being bullish in the past eight weeks US stock market players have thrown tens of billions of dollars into the market. Remember they were a net seller of stocks from March of 2009 through 2012. Then they started to buy stocks again. But this past eight weeks has seen the most buying among small fries of stocks in years.

There is a big illusion going on in the markets that is fooling everyone. The hardest markets to make money in are stage one basing markets and stage three topping markets. Most people are conditioned by the past two years of market action to expect what they have seen in the past two years to just continue forever.

So in a stage one basing market that comes after a bear market most people remain bearish even though the market is going sideways. When the market goes to the top of a range and then falls down towards support they expect a giant collapse to come like they saw in the last bear market, but it doesn't.

That is what is happening with gold right now. Gold is going sideways in a range and now that it is falling towards support again the gold bears are calling for a crash. Yet according to the latest commitment of traders report commercials are barely short gold at all and small individual traders are actually net short about 1,000 gold contracts. This means that the small fry is not in gold. So how is it going to crash when the masses are actually short gold now and not net long?

The answer is of course it isn't. Yet bulls get fooled in stage one bases too. What happens is that the bulls know that a new bull market will come after the stage one base is over so they get excited when they see rallies and get trapped by them. That is what happened to me and others bullish on gold last year. But at some point gold will complete this stage one



basing phase by rallying above its long-term moving averages to begin a brand new bull market.

That is a lot to know and something to never forget. When a bull market nears an end it enters a stage three topping phase that fools most people. People talk as if giant gains are still being made, but they are not. So for example on March 2, 2015 the Nasdaq went above the 5,000 level for three full hours. CNBC went crazy talking about how great the market was and Cramer spit out biotech stock picks on his show for his viewers. On the internet I saw articles saying how this was a great milestone and that this time is different from the last time the Nasdaq went above 5,000 way back in the year 2000.

People were captivated by the bullish talk that made it sound as if fortunes were being made at that moment in the stock market. In reality the stock market had started to go up in March of 2009 so had already been rallying for six years. All the money had already been made so the little move above 5000 for a few hours meant nothing.

But people didn't see it that way. The market dipped hard after those three hours of fun, but then bounced back above 5,000 for three full days and then dumped again. People hear the bull talk and see the occasional one day move up in the market, but don't notice the fact that the market is in a stage three topping phase that is a prelude to what will be a new brutal bear market. They are believing in a bullish illusion and are being fooled by the market.

Is the market fooling you? Take a look at your brokerage account. Are you up this year or are you down this year? Are you making big gains?

Do not avoid this question. Odds are that you are actually losing money so far this year, because the S&P 500 is only up 0.005% so far year to date and is only even to where it was on Thanksgiving four full months ago.

You see the stock market is going nowhere and yet people are more bullish than ever on it. Why? Because the stock market players are all-in. Not only that, but they do not look at charts or big trends and only the hyped up news of the day. So they are fooled into thinking huge gains are being made when they are not.

This is what happens during a stage three market. You see stage one and stage three markets are the hardest markets to make money in. The difference is that those that buy during a stage one market ultimately get rewarded when the next bull market phase begins while those that buy big into the hype during a stage three topping market ultimately find themselves holding the bag. They end up destroying themselves, because they believe in illusions. So instead of talking to you about some biotech stock or some "Fast Money" stock of the day all I want you to do is honestly look at your brokerage and see if you are making the big money?

And do not feel bad if you are losing or barely breaking even, because that is what just about everyone is doing this year in this stock market. You see a one or two percent gain year to date does not match the hype. You see all the bull talk is just a bunch of fast talk and hype from people not only fooling the masses, but fooling themselves too. I see these guys on "Fast Money" and doubt any of them are making any money at all.

If you recognize the reality of a stage three topping market then you can make wise decisions and adapt. You can actually set yourself up for years if you prepare yourself for the opportunities to come in making bets against the stock market and eventual buys in the asset classes and individual sectors that will break away from the bear market trend once the market finally tips over. What would you do in your investment account if you could turn back time to the summer of 2000 or 2007?

Everything is slowly changing and I want you to realize that now and not years from now when it is too late. This is why there is no pick for you today or trading idea. I do not want you to look at some stock and think about buying, but instead to look at your brokerage account and see what is really going on now in this market. In my view it is time to take defensive action in these markets and raise a cash reserve position and completely step back away from things to figure how you plan on navigating these markets going forward. What worked from 2012-2014 will no longer work. The easy and fast money are gone and the stock market gambling addict is going to be eliminated from the game.

But this is a huge massive opportunity for those that take their investing and trading decisions seriously. You see what I am talking about is the start of new market cycles for not only the stock market, but other markets too and entire asset classes such as gold and commodities. All of these new cycles will not all begin at once, but they will all begin at some point or another over the next few months and the next year or so.

Right now we are in a stage three top for the US stock market. You know what comes after a stage three top and what a stage three top consists of. You know that a stage three top is simply full of rallies that go nowhere that just fool people into expecting giant stock market gains that never come. And you know that when the stage three top is completed a new bear market comes to. I will help you navigate these markets, but I can only help you if you are really serious about this.

This is why I have placed a new seven module course on how to win in bear markets inside the private WSW Power Investor members only area. I actually am excited about the opportunities we will see in the next few years. I just want you to be cautious right now for a few weeks and possibly a few months so that you can take advantage of them too. You will no longer be fooled by this market like so many are being fooled right now.

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