



## Lindisfarne Investments, LLC

An island of safety in a sea of risk

### Market Update

#### May 29, 2014

#### The Market

The market is in an uptrend. Longer term, the move that started in 2009 is still positive. But as a note of caution, we have been hugging the top of the long term channel for the entire year of 2014. This may portend a correction back at least to the midpoint of the channel which would put us a value around 1750 on the S&P 500. That would be a decline of 9% which is a normal pullback value. To reach the bottom of the channel would take a decline of 18%. Any larger decline would classify the down move as a bear market (a 20% decline).

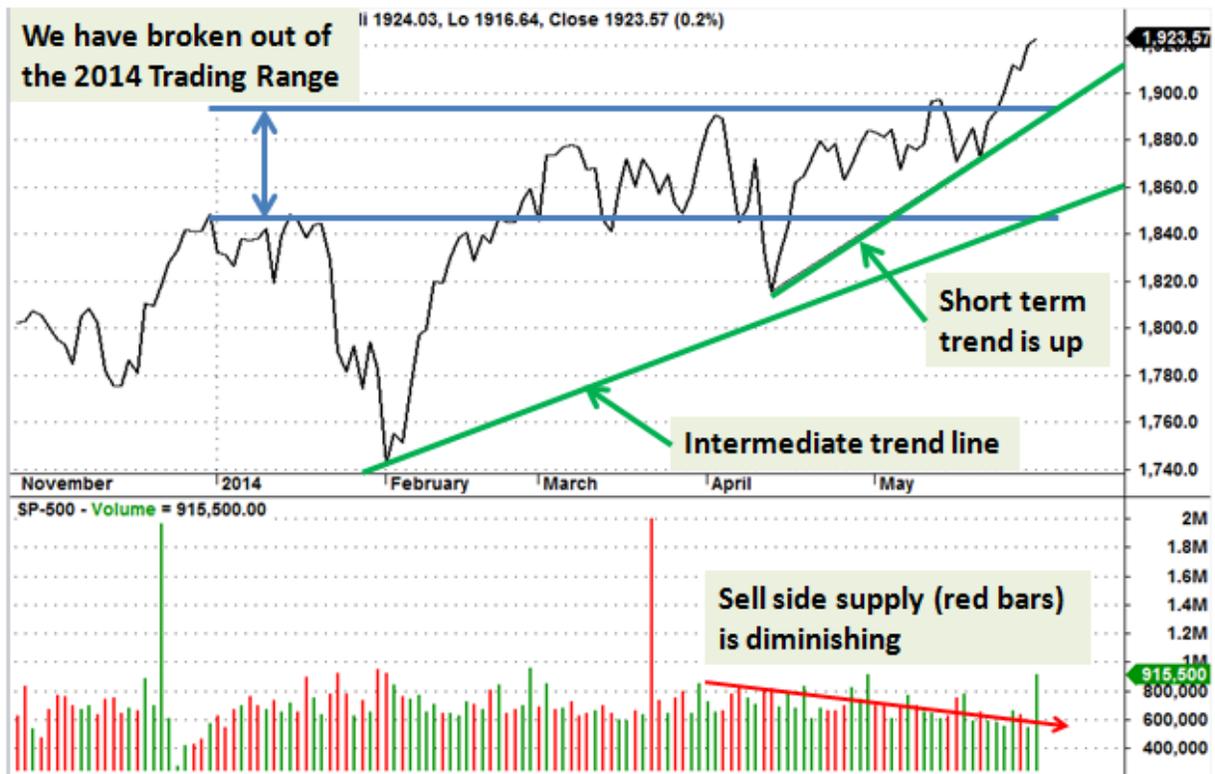
### S&P 500 Long Term Chart



Our next chart shows that we have been in a trading range since the end of February. Last week, the market finally made up its mind to break out above the top of the trading range. Other positives are that the short term trend is up as is the intermediate and long term trend. Further, the volume shown in the bottom panel illustrates that the volume on down-days is getting smaller while volume on up-days is holding steady. This tells us that sellers are getting fewer and fewer while buyers are still involved in the market.

All in all, these are positives that portend further advances in the market. But it would not be unusual for the market to pullback over the next several weeks to the top of the trading range which is at a value of 1890.

## S&P 500 Daily Chart



### Realignment of portfolios

While the market was in its trading range, it was impossible to know whether our next move would be up or down. Since the breakout occurred to the upside, we have been realigning portfolios and increasing the percentage invested. We now stand at 90% to 100% invested, depending upon the account, to take advantage of the market's move. However, now is not a time to ignore what happens on a day to day basis. False breakouts do happen, economic events

can always surprise us, international events can take their toll and the proverbial “black swan” event is always a possibility.

## Password Security

One of the modes of identity theft can be the illegal access of your accounts by obtaining and using your password for your bank account, brokerage account, Pay Pal, Amazon, etc. How easy is it to steal your password? It can be as simple as getting a program, some of them free, from the internet.

If you Google search with the phrase: “Software to find passwords” and look through the topics and related searches, you will begin your journey down this rabbit hole.

Once someone has access to your passwords, they can inflict major economic damage upon your life, not to mention the emotional and legal impact of trying to recover any stolen items. Done right, it will appear that you were the one making the charge or withdrawing the funds.

One easy key to deter the unsophisticated criminal is to make sure your passwords are “strong” and hard to crack with these simpler programs. Of course, no security system is totally safe. If the NSA or a sophisticated criminal attacks your accounts, then “our life is an open book to them”.

How strong is your password? One way to find out is to go to: <https://howsecureismypassword.net> and try out different passwords that are similar in construction to yours. Playing with different inputs, here are some results that I found.

An eight letter-only password can be cracked by a desktop PC in about 52 seconds.

Add a number ... 7 hours

Add a second number ... 10 days

Change one letter to a Capital letter ... 6 years

Add a special character (\$, %, etc.) ... 4 thousand years

Strengthening your password is a simple step to take. I encourage you to do it.

Please feel free to pass this update on to anyone that you think might be interested in it. If they wish to be on the mailing list or would like more information about the services of Lindisfarne Investments, we can be contacted by phone at (440) 623-0775 or by email at [bill@lindisfarneinvestments.com](mailto:bill@lindisfarneinvestments.com).

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