



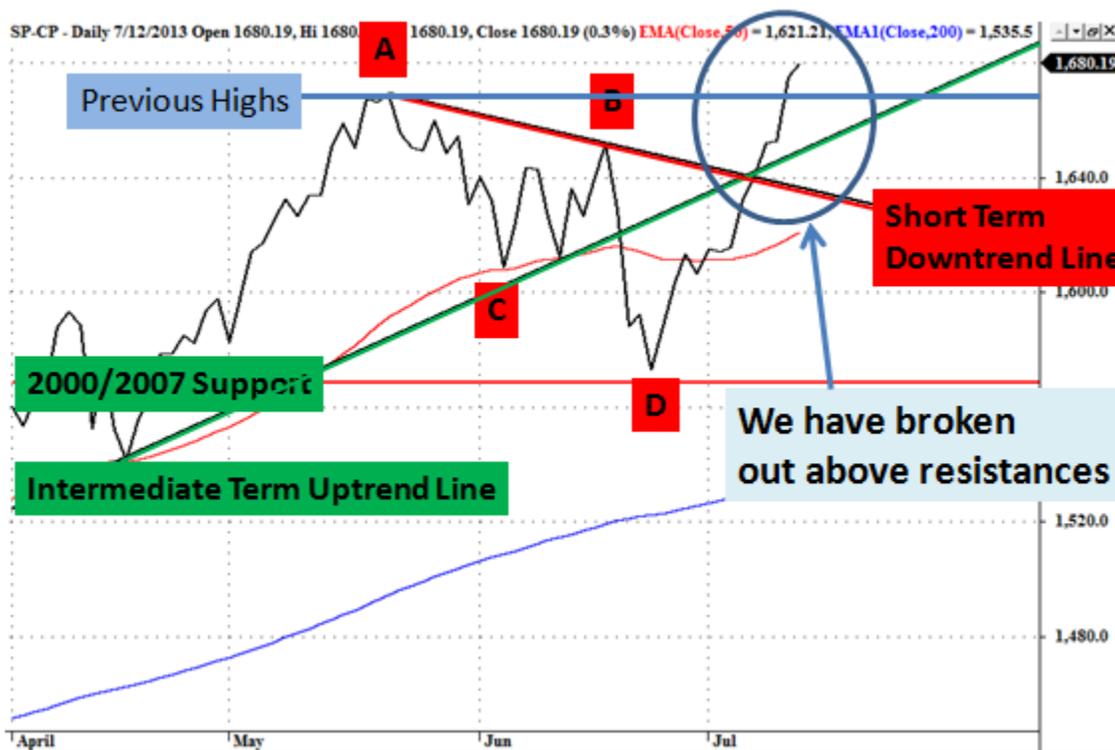
# Lindisfarne Investments, LLC

An island of safety in a sea of risk

## Market Update July 12, 2013

Continuing on our follow-ups of the last two weeks market report, the significant market action this week deserves comment. You can view those reports at [www.lindisfarneinvestments.com](http://www.lindisfarneinvestments.com).

### S&P 500 Short Term Chart



First, let's look at the key regions and indicators on the chart.

1. The red horizontal line is a key support level that looks back to the highs that the market formed in 2000 and 2007. If the price drops below this level, we could face a much larger pull back in the market.
2. The red sloping line is the short term downtrend line formed by the highs made in May and June. A break above this line is a necessary condition to signal the resumption of the intermediate term uptrend.
3. The green sloping line shows the multi-month support line formed by the price action. (See last week's report).
4. The red and blue curving lines are the price "averages" over the last 50 and 200 days respectively. These also can serve as important support and resistance levels for the market.
5. The blue horizontal line is the previous market high set in May.

The important point is that we have broken above all of the identified resistance lines. Does this mean that it will be smooth sailing ahead in the market? Well, the answer is that "nothing is ever certain in the market." But the risk factors that are identified by the resistance lines have certainly been removed.

At Lindisfarne Investments, we have used this reduction in risk to re-enter the markets. We are now about 70% invested in our accounts as of Friday. What will it take for us to become fully invested? If the market continues to move higher, more and more groups and funds will begin to participate in their own low risk manner. As this happens and we identify non-related sectors and securities, we will put the remaining 30% of our funds to work.

In the meantime, as usual, we will continue to monitor the market for any adverse reactions to future developments.

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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