



## Lindisfarne Investments, LLC

An island of safety in a sea of risk

### Market Update July 19, 2013

Today, I want to finish our look at how a market pattern develops in this fourth weekly report on the S&P 500. You can view the previous reports at [www.lindisfarneinvestments.com](http://www.lindisfarneinvestments.com).

The first chart shows the S&P 500 since early this year. There are several things that stand out to me in this chart. If you recall from last week's look, the points A-B-C-D formed a stairstep pattern down which is a characteristic of a downtrend. Today, with a slightly longer term look, we can now identify new points that form a stairstep pattern that is going up. Or in other words, we now have a short term uptrend.

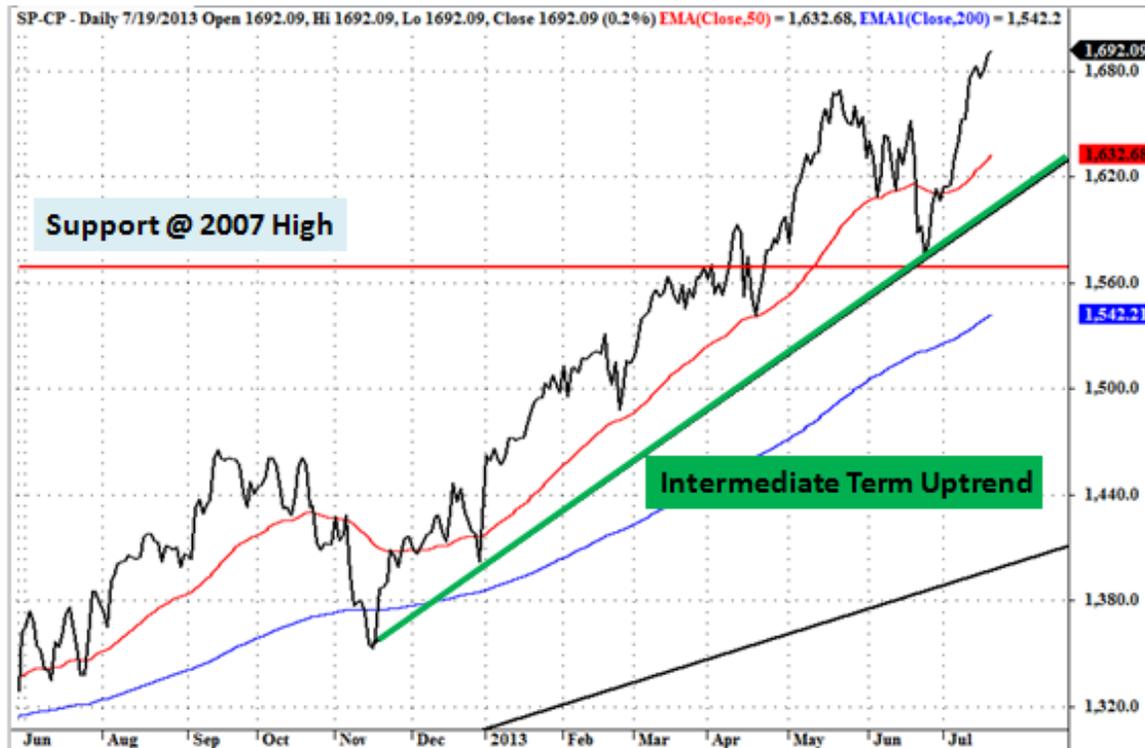
We are also above support formed by the 2007 High and also the May 2013 High. There is no overhead resistance for us to contend with. Other positive observations are that we are above both the 50 day and the 200 day moving averages (red and blue upward sloping lines respectively).

#### S&P 500 Short Term



As far as the Intermediate term trend, we see the the green trend line is forming a nice support line. As long as we stay above this line, the intermediate term trend is positive.

## S&P 500 Intermediate Term



On a longer term basis, our final chart shows that we also are in a long term uptrend that started back in 2009. And, as can be seen clearer in this chart, we are in uncharted territory.

## S&P 500 Long Term



So what will the markets do from here? From a technical standpoint, all lights are green. But as the old saying goes, “These uptrends will last until they don’t”. Although this may sound a bit trite, it reminds us that technical chart reading is only a way to put the odds in our favor. If everything was in downtrends, it would warn us away from investing our money. If everything is in an uptrend, it is safer to invest, but we must still keep an eye on the market. External economic events, political upheavals, corporate earnings, natural disasters, etc. could quickly change the assumptions that the market is living under. That is why we must have, monitor and obey our stops

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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Lindisfarne Investments, LLC  
320 Kenmore Drive, Bay Village, OH 44140  
(440) 623-0775 [www.lindisfarneinvestments.com](http://www.lindisfarneinvestments.com)