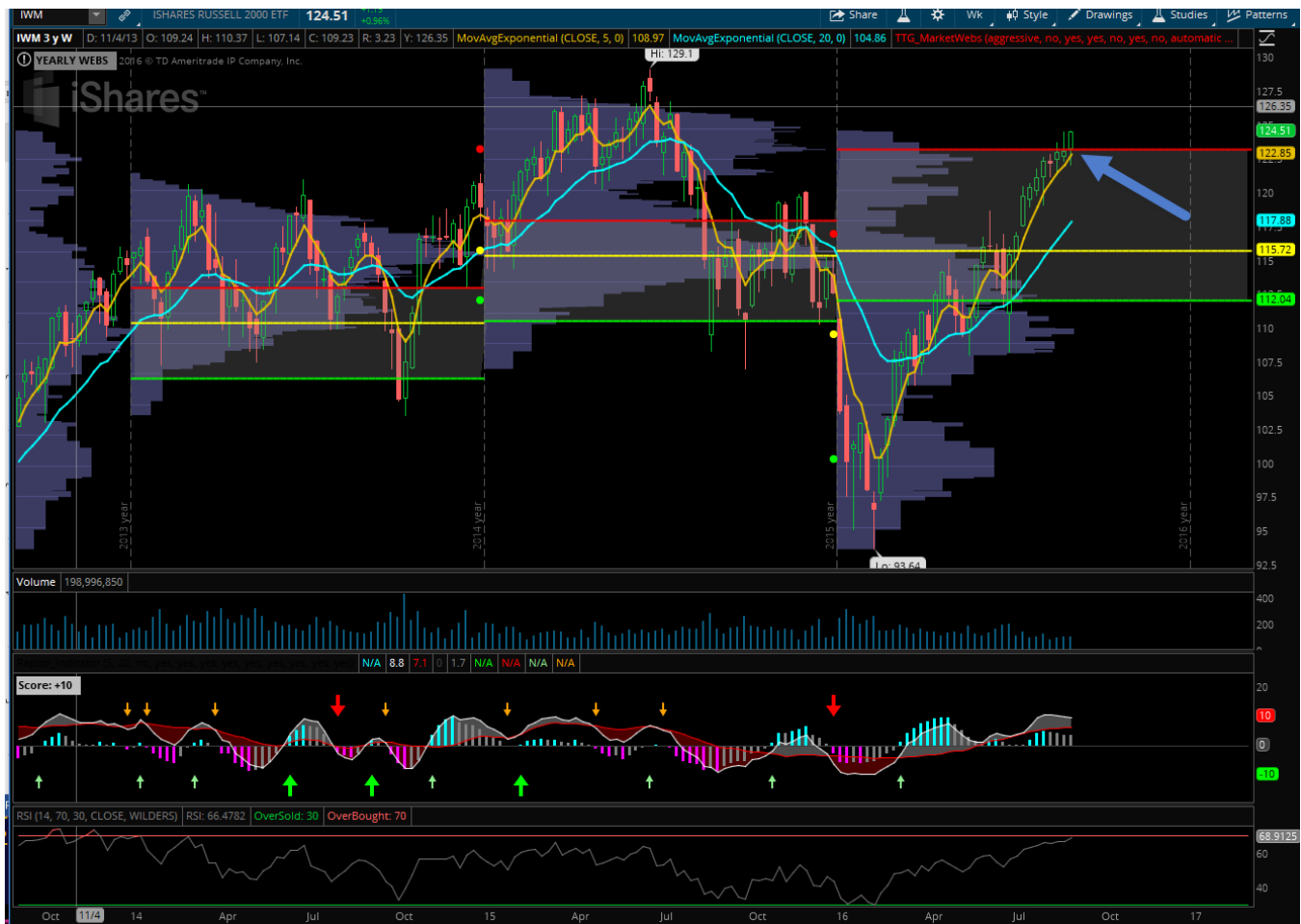


**US ETF Index performance (5d): SPY +0.5%, DIA +0.6%, IWM +1.2%, QQQ +0.3%, TLT +0.2%.**

**TTG Market View (9/4):** Friday's job data was lackluster with +126K Private Payrolls added vs expected +180k. The bad news was good news as the S&P 500 gained +0.4% with the Russell 2000 Small Caps outperforming, +1.0%. Fed Fund Futures are now showing just a **32% chance of a rate hike occurring in the September FOMC meeting, and a 59% chance in December. So, based on the pricing, a September hike is doubtful and equities remain in a "sweet spot" possibly into December.**

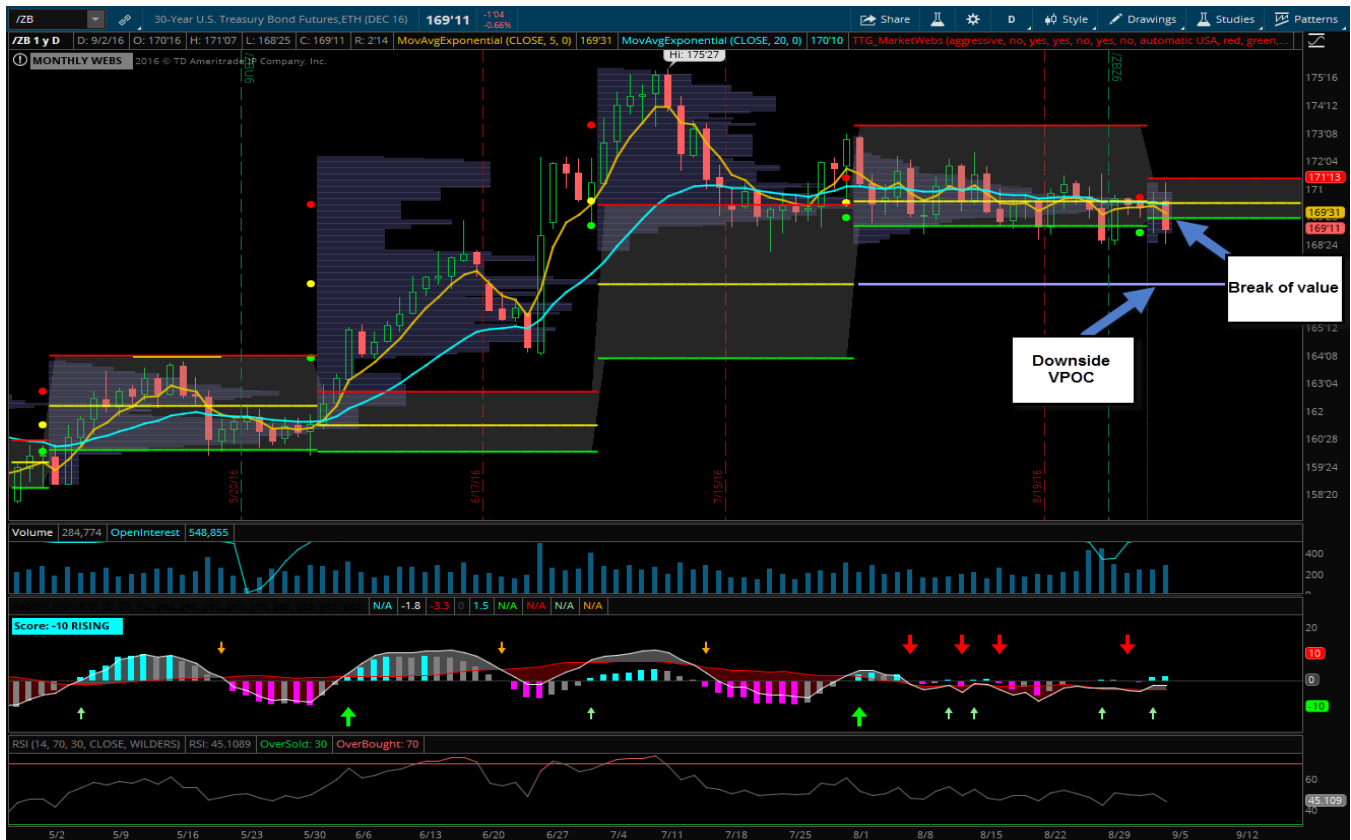
As I mentioned, Small Caps outperformed on Friday and did so for the week +1.2% vs SPY +0.5%. This is a good sign for equities and the IWM ETF is now above the yearly value. Support for IWM is now \$123.21. While I think Small Caps are slightly overbought, one can stay with the trend against this \$123.21 support.

**Russell 2000 Small Caps (IWM) weekly chart**



Another chart I am watching closely is the long Bond, of /ZB in Think or Swim. The 30yr has been trading sideways for the last month and ended the week slightly below the monthly value area. **If bonds break down, over crowded yield plays will break down quickly.** I remain short REITs in case of this possible break. Keep in mind the IYR ETF has an average P/E ratio of 36 vs the SPY ETF 25 according to Bloomberg. This seems a bit unreasonable to me.

30yr Treasury Bond Futures (/ZB) daily chart



### Last week's sector performers:

#### Best 5d:

Symbol	Description	5d % chng
KBE	Banks	2.39%
KRE	Regional Banks	2.33%
XLF	Financials	1.91%
IYR	REITs	1.60%
IYZ	Telecom	1.60%
XLB	Materials	1.07%
SMH	Semis	1.01%
XLU	Utilities	0.98%
SLX	Steel	0.96%
XLP	Staples	0.94%
FDN	Internet- FANG	0.71%

#### Worst 5d:

Symbol	Description	5d % chng
OIH	Oil Services	-2.29%
IBB	Biotech	-1.59%
XRT	Retail	-1.13%
XLV	Health Care	-0.57%
XLE	Energy	-0.43%
XLY	Cons Discretion	-0.07%
XME	Metals & Mining	0.04%
XOP	Oil & Gas Expl Prod	0.27%
ITB	Home Builders	0.31%
XLI	Industrials	0.46%
GDX	Gold Miners	0.63%

### Here are last week's International performers:

#### Best 5d:

Symbol	Description	5d % chng
EUFN	EURO FINS	5.89%
GREK	Greece	5.83%
DXJ	Japan (FX'd)	4.96%
EWZ	Brazil	4.31%
EPI	India	3.91%
EWP	Spain	3.55%
EWH	Hong Kong	3.34%
FXI	China	3.11%
EWN	Netherlands	2.88%
EWU	UK	2.60%
EWQ	France	2.51%

#### Worst 5d:

Symbol	Description	5d % chng
VNM	Vietnam	-1.64%
EWA	Australia	-1.60%
EWM	Malaysia	-1.32%
THD	Thailand	-0.66%
IDX	Indonesia	-0.22%
PLND	Poland	-0.17%
ECH	Chile	-0.05%
EWT	Taiwan	0.33%
EPU	Peru	0.48%
EWV	Mexico	0.80%
FM	Frontier Mkts	0.82%

## ETF Flows for the Week (week ending 9/2/16)

**Overall: Equity ETFs post +\$6.5B in assets last week (-\$1.3 prior week).** The SPY ETF tilted the numbers a bit last week, posting +\$4.0B in inflows last week or 62% of the overall equity inflows. In sectors, **Financials led inflows, posting +\$598M inflows.** It was nice to see that it wasn't just XLF monopolizing the inflows, but also **IYF, KBE, and KBWB.** Meaning a bit more "long only" fund positioning. **Gold Miners (GDX) were also bought heavily on the dip going into the jobs data.**

**Meanwhile Consumer Staples and Utilities dominated the sector outflows. These defensive areas saw large outflows for the 2<sup>nd</sup> consecutive week.** In addition, **SPLV**, PowerShares S&P 500 Low Volatility Portfolio, an ETF that we talked about in the trading room, **saw -\$283M in outflows last week.** This ETF could also be labeled as "Defensive Sectors" in my opinion.

**Emerging Markets added +\$629M in assets last week, now 9 straight weeks of inflows. There were 5 ETFs in the EM group that had >\$35M inflows.** Other International ETF areas were quiet. Europe saw more outflows, but that was basically only in HEDJ. Brazil saw outflows for the second week in a row. **Other notable flows were Gold (GLD) losing -\$797M in assets and longer dated treasuries (TLT) losing -\$554M in assets last week.**

### US / Sectors (5d):

- **Sector Highlights** (largest movers included)
- **Largest Inflows:**
  - **Financials +\$598M:** IYF +\$273M, XLF +\$173M, KBE +\$55M, KBWB +\$36M
  - **Materials +\$542M:** GDX +\$328M, NUGT +\$171M, JNUG +\$120M, GDXJ +\$55M
  - **Tech +\$335M:** XLK +\$291M, VGT +\$52M, SMH +\$42M
  - **Industrials +\$117M:** IYJ +\$34M, FXR +\$24M, VIS +\$22M, ITA +\$20M
- **Largest Outflows:**
  - **Consumer Staples -\$346M:** XLP -\$181M, IYK -\$146M
  - **Utilities -\$255M:** IDU -\$93M, XLU -\$52M, PUI -\$36M, FXU -\$22M

### International (5d):

- **International ETFs +\$52M**
- **Country/ Region specific ETFs:**
  - Largest Inflows:**
    - **Emerging Mkts +\$629M:** IEMG +\$245M, VWO +\$213M, EBM +\$47M, EEMV +\$43M, EEM +\$34M
  - Largest Outflows:**
    - **Europe -\$244M:** HEDJ -\$214M
    - **Brazil -\$167M:** BRZU -\$171M

### Largest Flows by ETF

Inflows				Outflows			
Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng	Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng
SPY	SPX	\$ 4,018,014,551	2.0	GLD	GOLD	\$ (797,391,000)	-2.0
MDY	MID CAPS	\$ 345,473,758	2.0	QQQ	NDX	\$ (714,432,000)	-1.8
GDX	GOLD MINERS	\$ 328,200,000	3.3	TLT	20+YR TREASURY BONDS	\$ (554,520,000)	-6.9
IVV	SPX	\$ 318,463,500	0.4	SPLV	LOW VOLATILITY EQUITIES	\$ (282,740,000)	-3.7
XLK	TECH	\$ 291,202,973	2.3	HEDJ	EUROPE FX HEDGED	\$ (213,525,000)	-2.2
IYF	FINANCIALS	\$ 272,609,500	23.3	JNK	HIGH YLD BONDS	\$ (183,199,634)	-1.5

## ETFs of the Week:

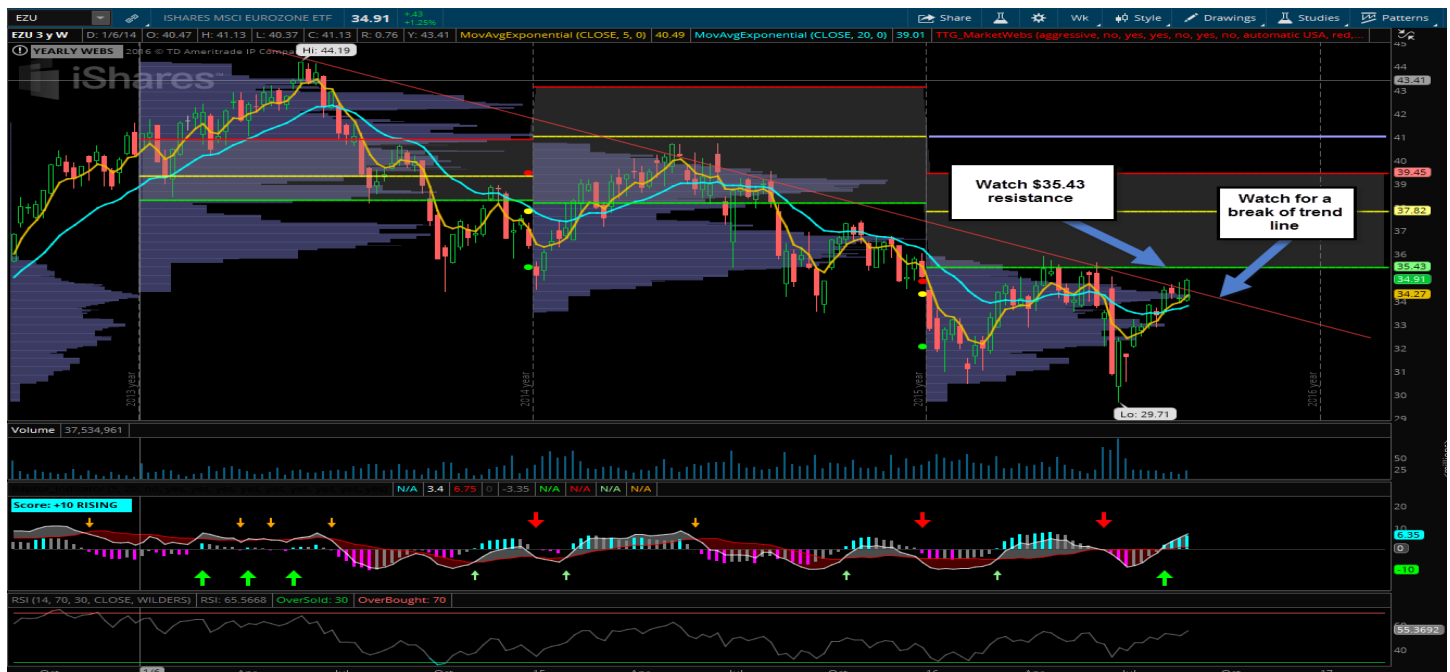
### EZU (iShares MSCI Eurozone ETF)

Last week European Financials (EUFN) gained 5.9% and were the best performer on my +40 name International ETF watch list. The Financials gaining are a good sign for the health of the market. **European ETFs have seen colossal outflows in 2016** (see first chart). In particular, **EZU, the iShares MSCI Eurozone ETF, has lost \$5.8B in assets this year** and it's a similar trend with other European Equity ETFs including HEDJ, VGK, and FEZ. However, HEDJ was the only ETF that saw outflows last week. **So the unwind cycle could be drawing to a close.** I am watching for a break into the yearly value in EZU (above \$35.43) and a break of the downward trend line (second chart)

EZU outstanding shares



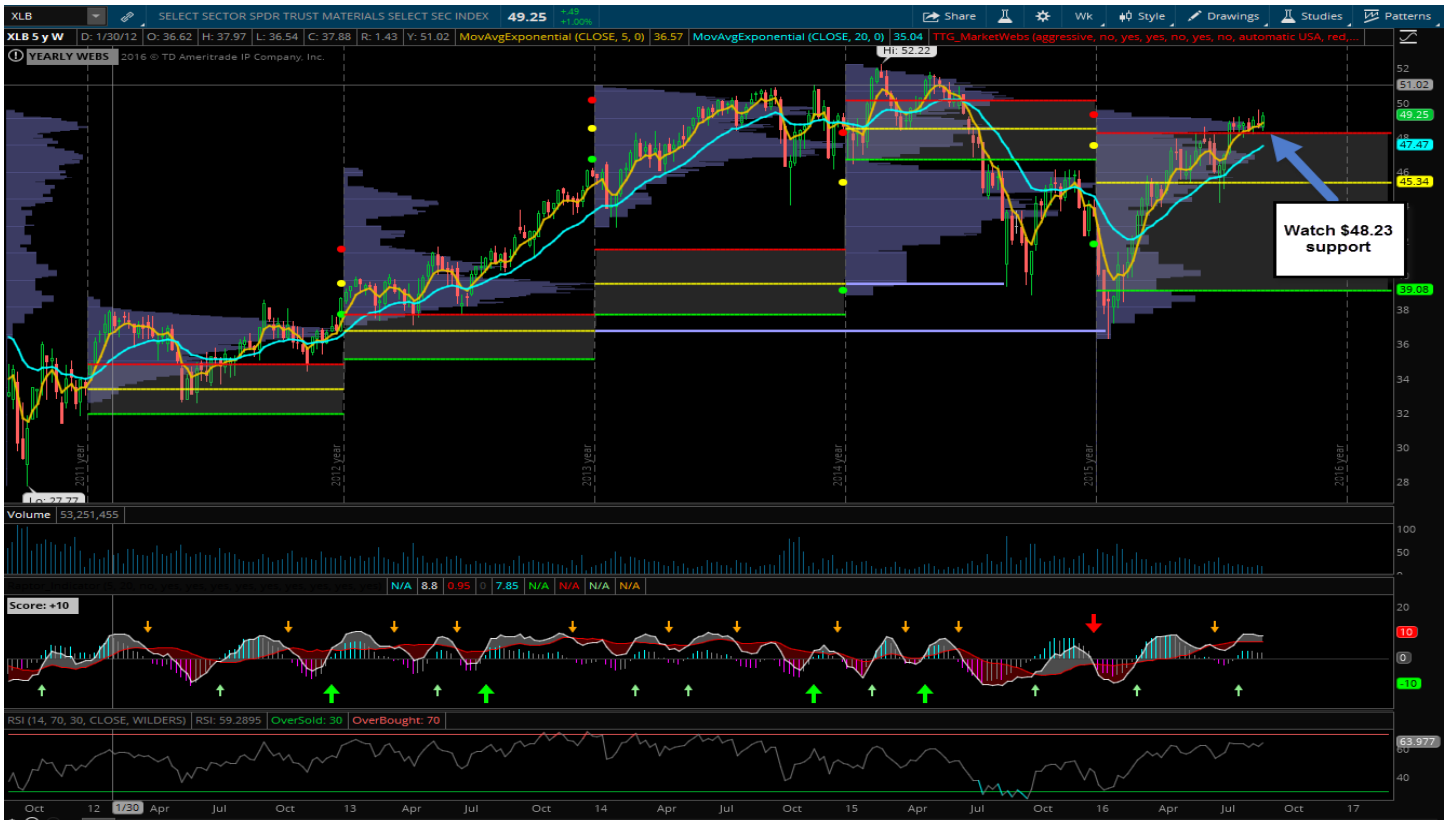
EZU weekly chart



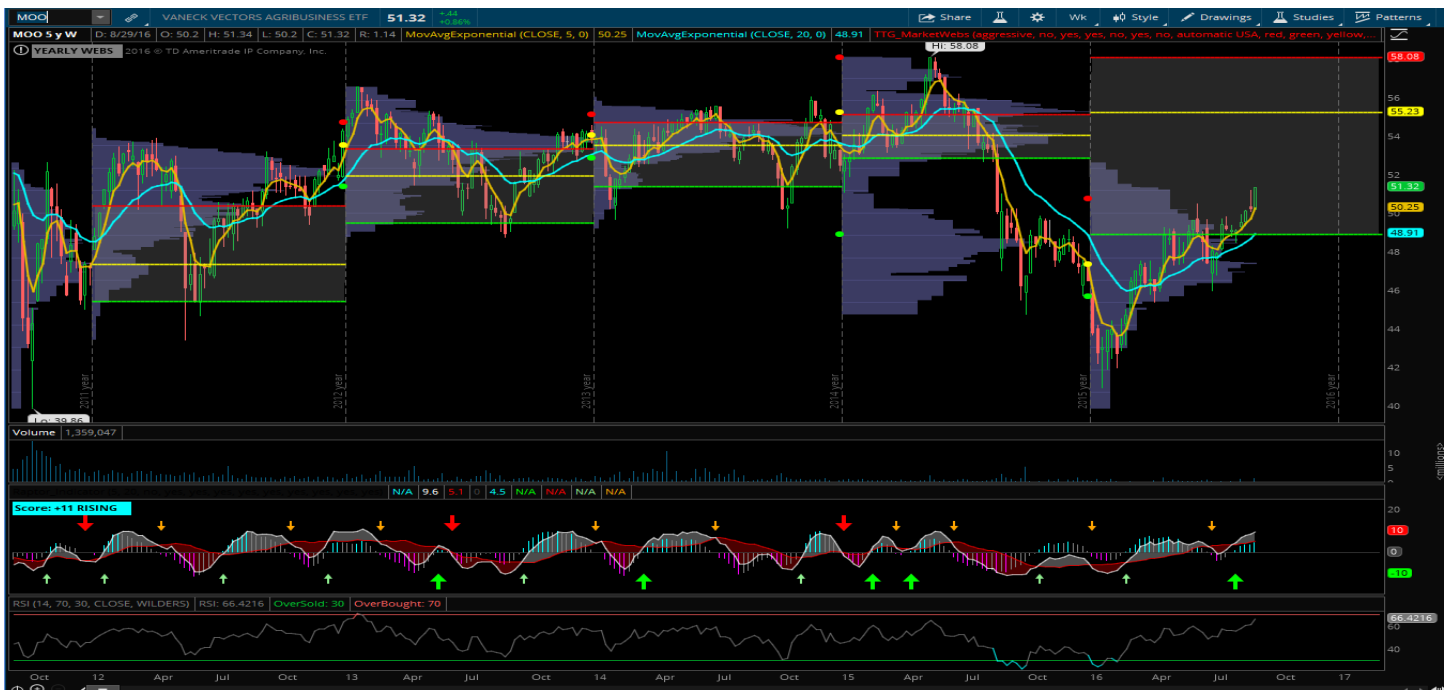
## XLB (Materials Select Sector SPDR Trust):

A couple of weeks back I mentioned the MOO ETF (VanEck Vectors Agribusiness ETF) as a long. Last week we saw heavy call activity in POT and AGU as the rumor mill was swirling regarding a possible deal between the two. **I still think the MOO chart still looks great (2<sup>nd</sup> chart).** Now, after a month + consolidation, I like the XLB ETF as a long. A possibly long trade for the TTG Swing Trade Portfolio is the XLB Jan 51 calls @ \$1.00.

XLB daily chart



MOO weekly chart



## Stocks to Watch (from Pat Harris @pharris667)

### IDCC

InterDigital, Inc. designs and develops technologies that enable and enhance wireless communications in the United States and internationally. It offers technology solutions for use in digital cellular and wireless products and networks, such as 2G, 3G, 4G, and IEEE 802-related products and networks.



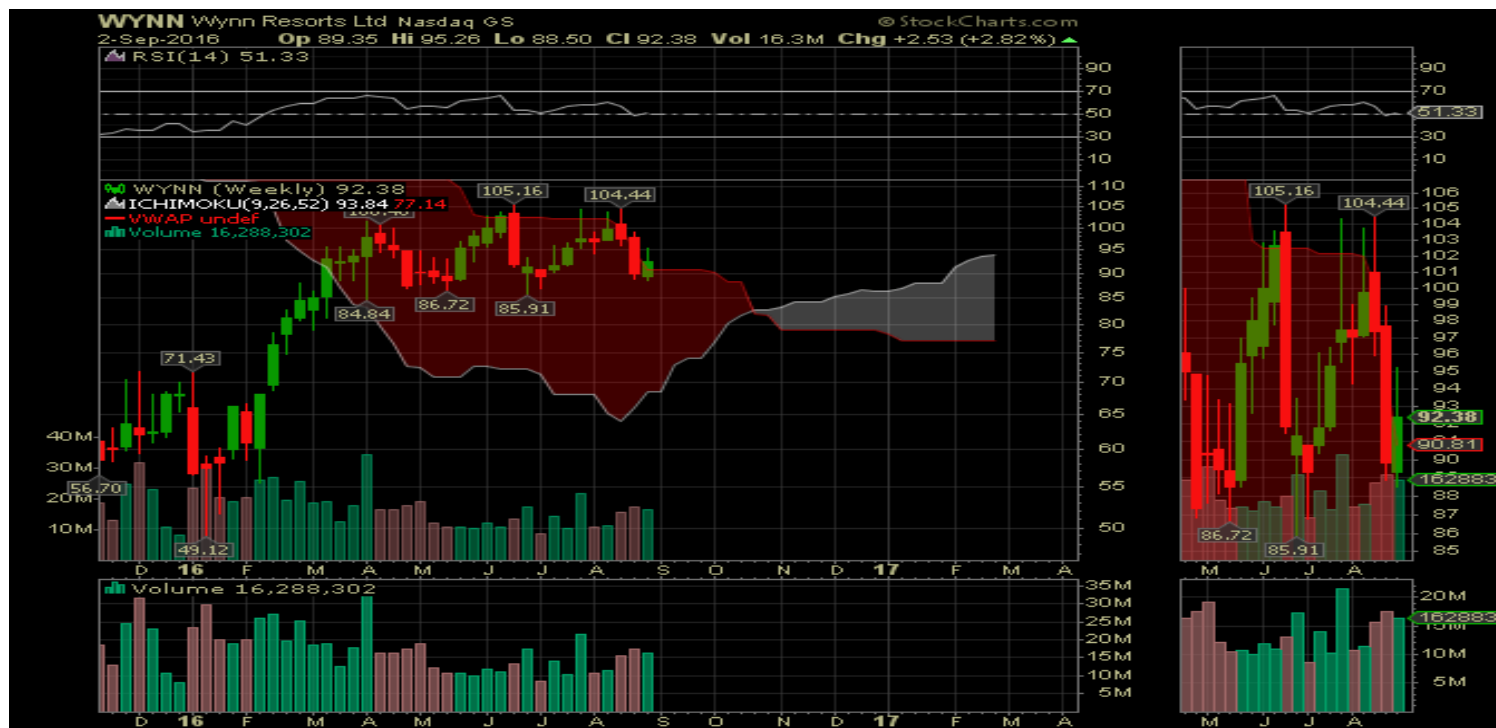
### BIIB

Biogen Inc. discovers, develops, manufactures, and delivers therapies for the treatment of neurodegenerative diseases, hematologic conditions, and autoimmune disorders. Only BIO at the moment with relative strength news driven event.



## WYNN

Wynn Resorts, Limited, together with its subsidiaries, develops, owns, and operates destination casino resorts. It operates in two segments, Macau Operations and Las Vegas Operations. **Great news out of Macau first increase in 2.5 years can help this over 100 long term- High for this year in the 105 area.**



## PAYC

Paycom Software, Inc. provides cloud-based human capital management (HCM) software solutions delivered as Software-as-a-Service for small to mid-sized companies in the United States. **Like the set-up here as tech just keeps going.**





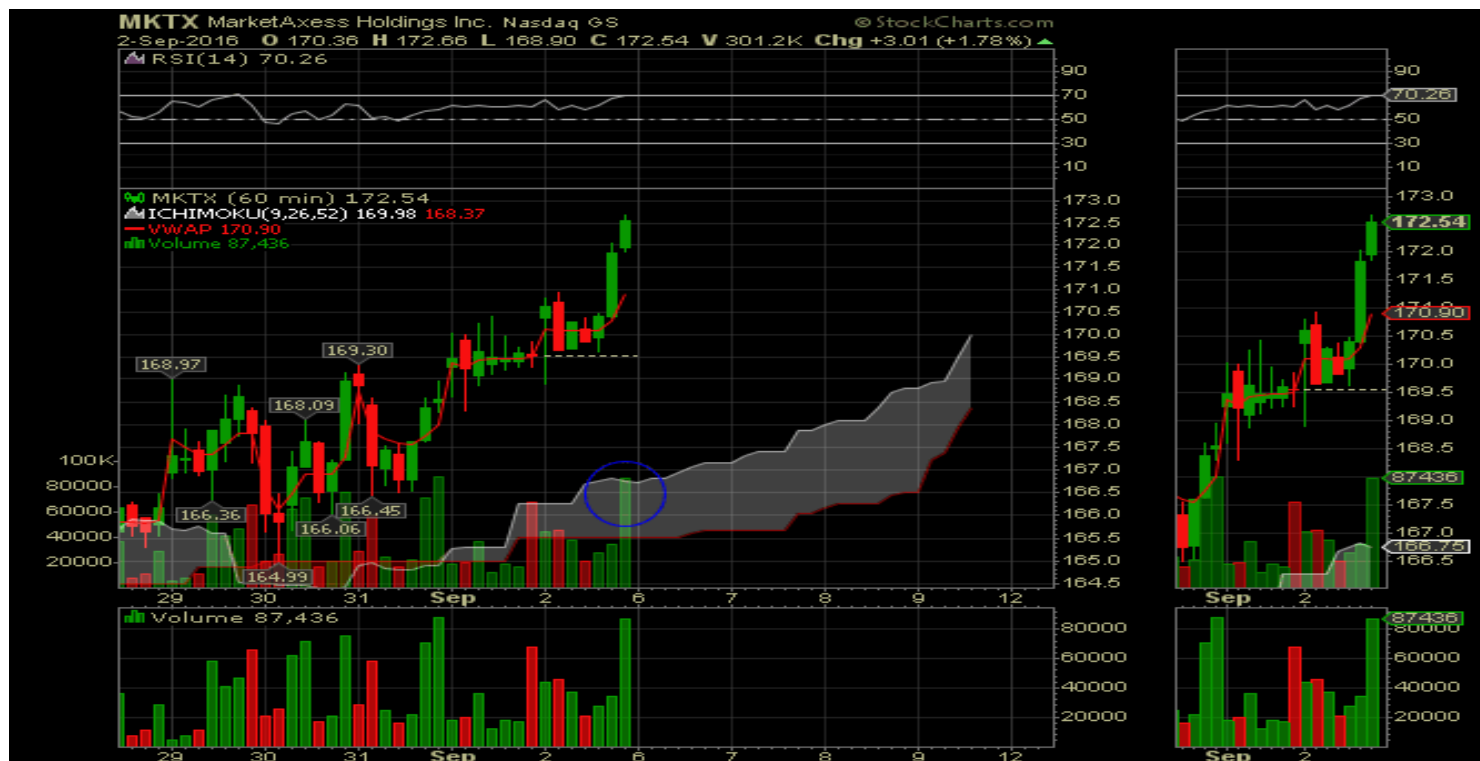
## JACK

Jack in the Box Inc. operates and franchises Jack in the Box quick-service restaurants and Qdoba Mexican Eats fast-casual restaurants primarily in the United States. **Play reports on Tuesday looking for a pop one way or the other on they're report. Jack already reported great earnings.**



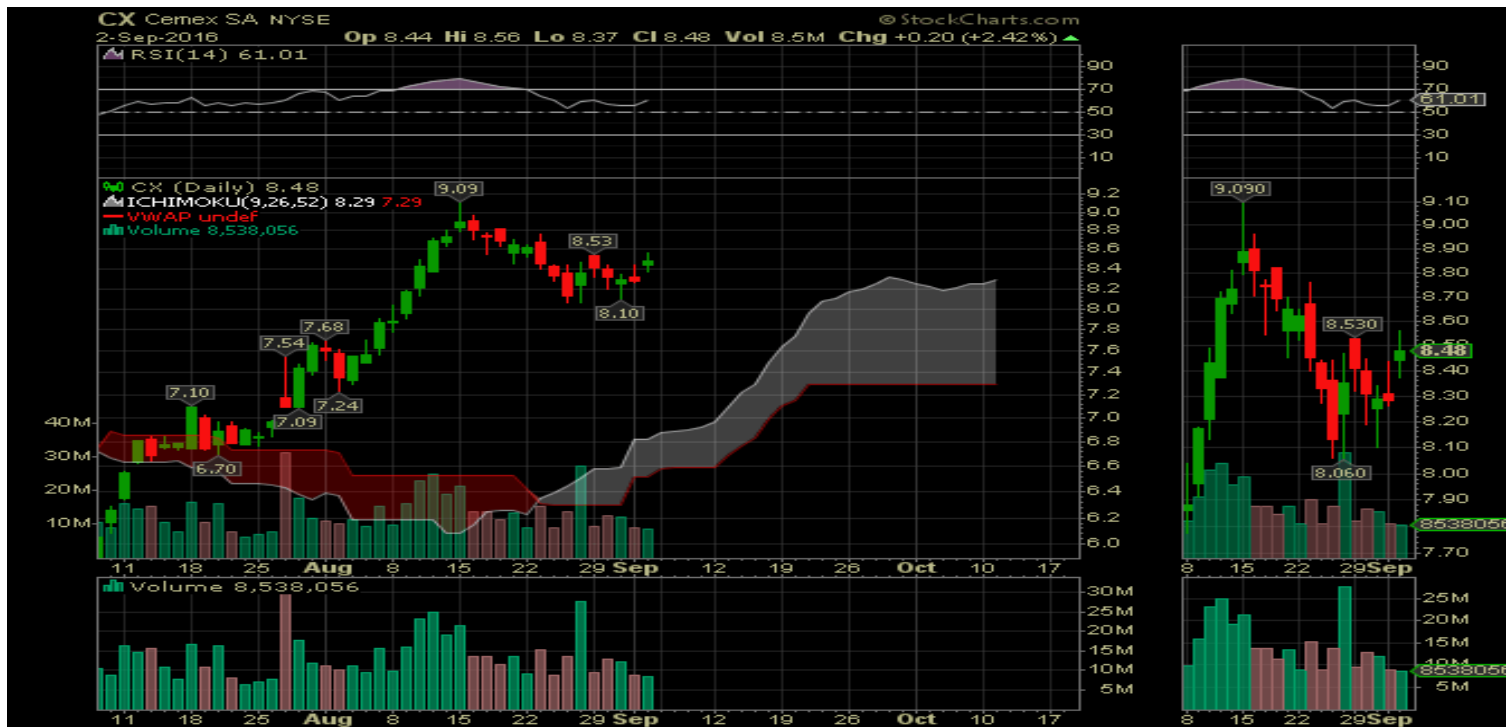
## MKTX

MarketAxess Holdings Inc., together with its subsidiaries, operates an electronic trading platform that enables fixed-income market participants to trade corporate bonds and other types of fixed-income instruments worldwide.



CX

CEMEX, S.A.B. de C.V. produces, markets, distributes, and sells cement, ready-mix concrete, aggregates, and other construction materials in Mexico and internationally. **MACD crossover could bode well here as Construction stocks recover.**



PYPL

PayPal Holdings, Inc. operates as a technology platform company that enables digital and mobile payments on behalf of consumers and merchants worldwide. It enables businesses of various sizes to accept payments from merchant Websites, mobile devices. **RSI 51 Looking for a continuation form 4 filings here.**



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