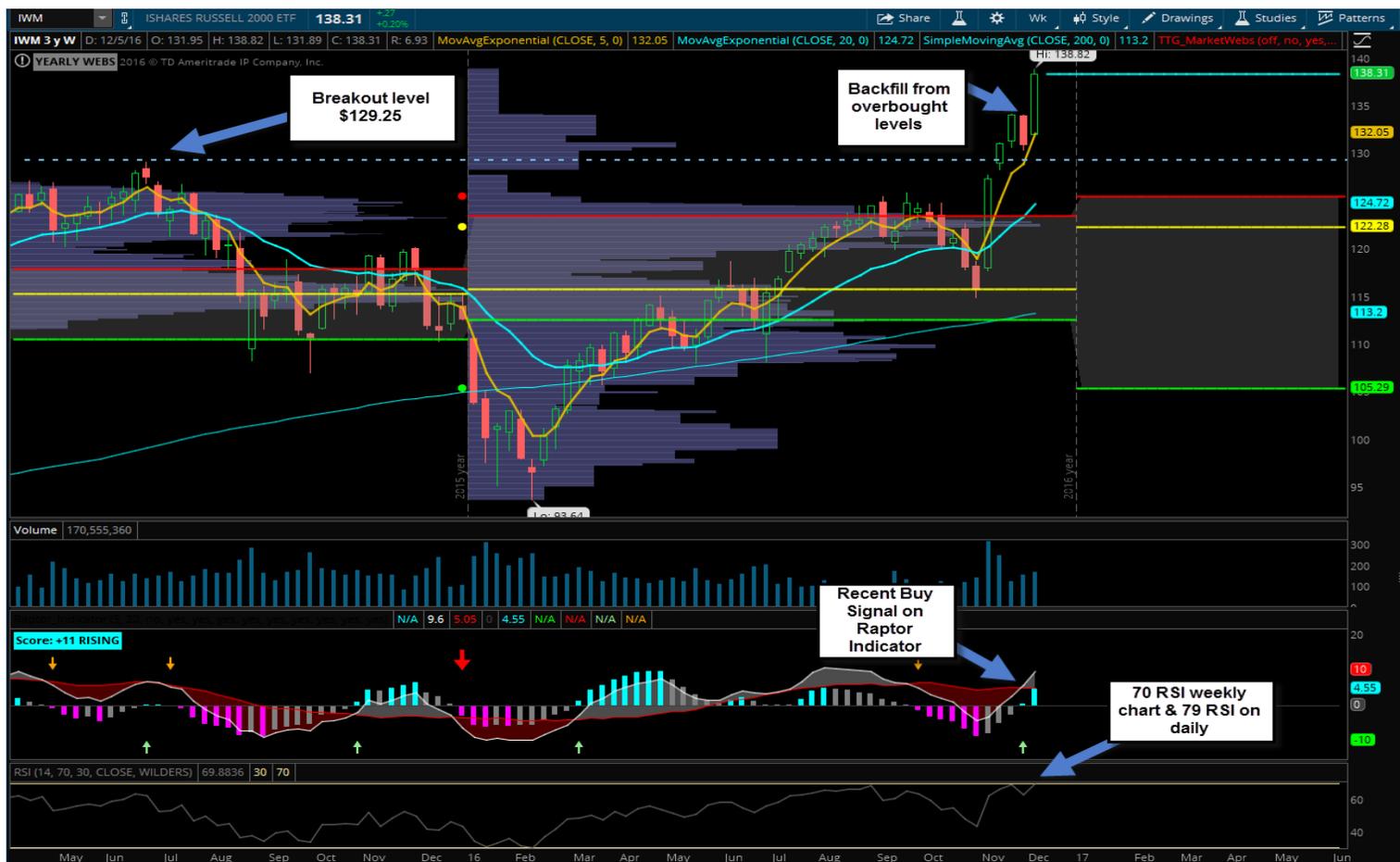


**US ETF Index performance (5d): SPY +3.1%, DIA +3.1%, IWM +5.6%, QQQ +3.3%, TLT -1.8%, GLD -1.5%**

**TTG Market View (12/10):** What a week it was – massive moves in equities – headlined by the Small Caps, IWM +5.6% in one week! Keep in mind my writing from last week’s newsletter (12/3), “Now that IWM has burned off those overbought levels I am watching for a return to the IWM 11/25 highs and a further breakout above \$134.14” **Mission Accomplished – that is exactly what we got last week, a breakout in SPY and IWM above top of value.**

So, where are we now? SPY and IWM are overbought in the short term. In IWM, we are very close to where we were two weeks ago – overbought with a 70 RSI (Relative Strength Index) on the weekly chart and a 79 RSI on the daily chart. Note the RSI peaked at an 80 level on 11/25 and the following week the IWM -2.4%. Why do I bring this up you ask? Next week we have the Fed meeting with the rate decision on Wednesday. The importance of the meeting will be the language relating to the pace of future rate increases and their view of how the economy is running (how hot as this point). So, with an RSI deeply in overbought territory of 79 (daily chart), basically any bad news will cause equities to cool off. Will this be a bad thing? No. **We are in an uptrend (finally), but in my opinion we need to burn off these overbought levels, just like we did two weeks ago.**

IWM weekly chart

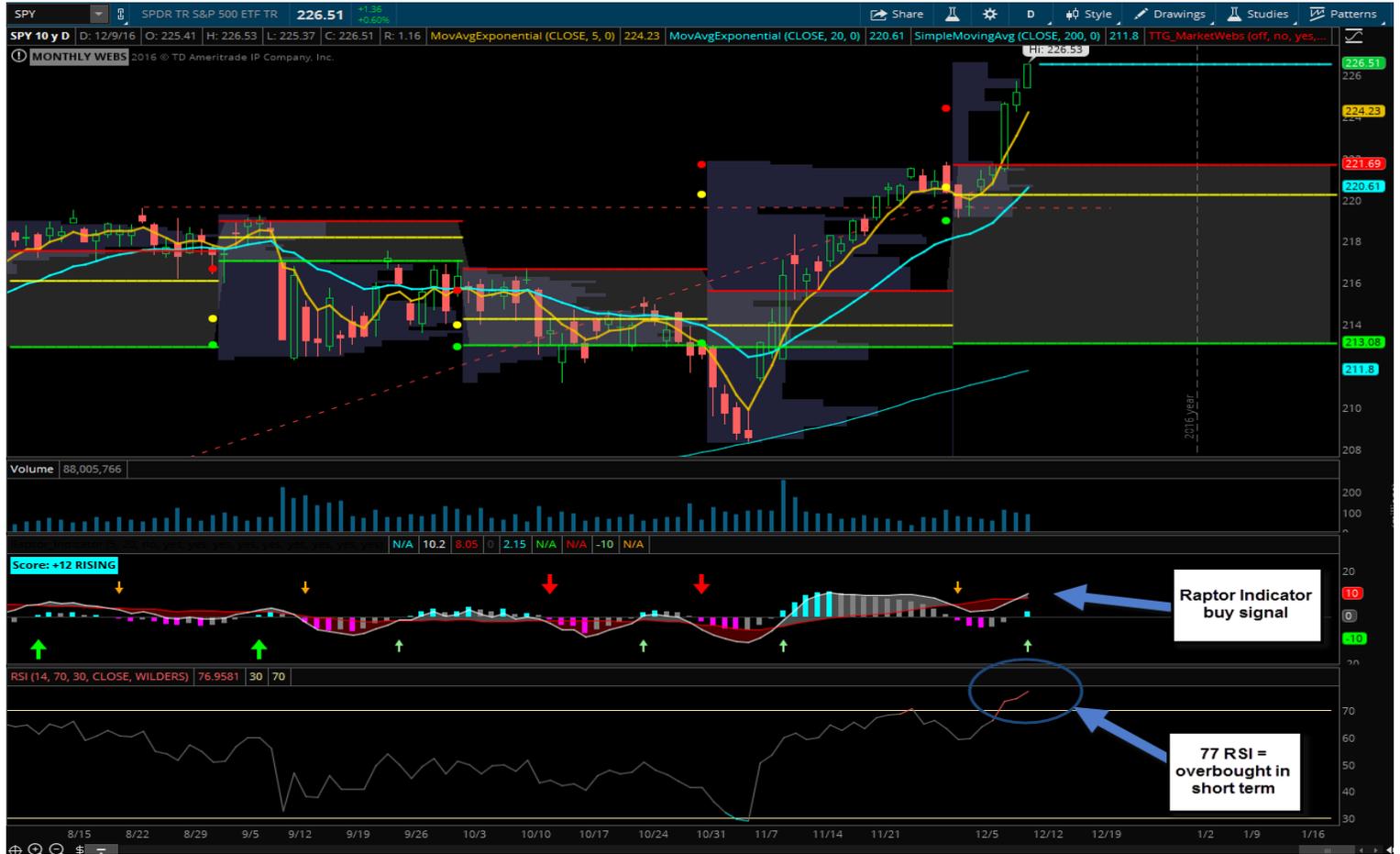


In addition, every day last week, the major equity indices opened close to flat and equities trended throughout the day. **Meaning, this is a day trader’s paradise.** For a long while, equity futures were making their move in the overnight markets – **this is no longer happening!** Be cognizant of this change as there is less of a need to hold positions overnight if one is comfortable day trading. If not a day trader, there is ample opportunity to take profits the same day as the trade is initiated, and then only hold a % of the original position overnight.

# SPY / SPX

Uptrend & a breakout. However, just as I mentioned with IWM – the SPY is very overbought in the short term. I am looking for a burn off of these overbought levels next week before I add long swing trades.

SPY daily chart



## QQQ / NDX

What a difference a week makes. The QQQs came charging back last week +3.3%. As mentioned in the 12/3 newsletter, *"I am avoiding the QQQs until they firmly climb back above the top of value, > \$118.22. I see no point in forcing the issue here, and will wait for technical confirmation.* Last week the QQQs rallied above this level. A buy signal also was triggered on the Raptor Indicator. **I established a long swing trade on Friday in the trading room – March 21 calls.** What was resistance, now becomes support. If we do get a decline in equities next week, I will look to add to the QQQ Mar 21 calls if the \$118.22 support holds. Note unlike the IWM and SPY, the QQQs are not overbought on the daily chart.

QQQ daily chart



## Sector Review

**Changes from 12/3 Newsletter:** Tech is back firmly above the 50d Moving Average (MA) and looking strong once again. The remainder of the strong category sectors: XLF, XLE, XLI, XLB, XLY and IYZ now have extreme Raptor Indicator ratings. +12 RISING is as strong as they get... so be mindful of a brief pull back. Defensive sectors: XLP, IYR, XLU all improved – they were all below the 200d MA for a few weeks. They are now showing some signs of life, but the 100d and 200d MA's stand in their way... Health Care XLV continues to be the laggard.

### This week's sectors

Symbol	Description	Moving Avg Summary	Category	Raptor Rating*	Weight in SPX
XLF	Financials	>50d	Strong	+12 RISING	14
XLE	Energy	>50d	Strong	+11 RISING	7
XLI	Industrials	>50d	Strong	+12	10
XLB	Materials	>50d	Strong	+12 RISING	3
XLK	Tech	>50d	Strong	+11 RISING	21
XLY	Cons Discretion	>50d	Strong	+12 RISING	12
IYZ	Telecom	>50d	Strong	+12 RISING	2
XLP	Consumer Staples	>50d < 100d <200d	Neutral to Weak	+9 RISING	10
IYR	REITs	>50d < 100d <200d	Neutral to Weak	+8 RISING	3
XLU	Utilities	>50d < 100d <200d	Neutral to Weak	+8 RISING	3
XLV	Health Care	<200d	Weak	0	15

### Last week's sectors (12/3 newsletter)

Symbol	Description	Moving Avg Summary	Category	Raptor Rating*	Weight in SPX
XLF	Financials	>50d	Strong	+4 FALLING	14
XLE	Energy	>50d	Strong	+10 FALLING	7
XLI	Industrials	>50d	Strong	+5 FALLING	10
XLB	Materials	>50d	Strong	+7	3
XLK	Tech	>50d	Strong	-9 FALLING	21
XLY	Cons Discretion	>50d	Strong	-2 FALLING	12
IYZ	Telecom	>50d	Neutral	+3	2
XLK	Tech	>50d	Neutral to Weak	-9 FALLING	21
XLV	Health Care	<200d	Weak	-9 FALLING	15
XLP	Consumer Staples	<200d	Weak	-5	10
IYR	REITs	<200d	Weak	-5	3
XLU	Utilities	<200d	Weak	-5	3

**Conclusion:** There is no doubt, the major equity indices have broken out – **this is a good thing**. The SPX was trading in 2 year sideways market and it was frustrating at times, so it is wonderful to see the major indices finally break out. However, **markets normally do not go up in a straight line. Patience is always the key – there will opportunities coming to buy dips** – so I am keeping an eye on names that we are **seeing longer term option call buying** – i.e. C, MT, DB, UPS, AMD, MSFT, ON, JWN, BX, KKR, AKS, BUD, ESV, HLT, LNG, WLL, DE, DOW and CF.

Lastly, in my +17 years of trading experience I have realized trading is never easy – and I need to remind myself of this especially when I am making outsized profits (like the past 2 months). Overconfidence is an enemy. So, have a game plan in place – what are you going to do if the market rallies another 3-5% (take profits, roll winners, hedge?) - what are you going to do if we correct 3-5% - do you have enough dry powder to capitalize on a pull back? All things to consider.

**Last week's sector performers:****Best 5d:**

Symbol	Description	5d % chng
ITB	Home Builders	6.55%
KBE	Banks	5.93%
KRE	Regional Banks	5.62%
IYZ	Telecom	5.46%
XRT	Retail	5.11%
XLF	Financials	4.86%
FDN	Internet- FANG	4.33%
SMH	Semis	4.26%
OIH	Oil Services	4.25%
SLX	Steel	4.21%
XLK	Tech	4.20%

**Worst 5d:**

Symbol	Description	5d % chng
GDX	Gold Miners	-3.28%
IBB	Biotech	-0.29%
XLV	Health Care	0.64%
XLI	Industrials	1.86%
XLE	Energy	2.37%
XLU	Utilities	2.48%
XOP	Oil & Gas Expl Prod	2.71%
XLP	Staples	2.91%
XLB	Materials	3.04%
XME	Metals & Mining	3.24%
XLY	Cons Discretion	3.52%

**Last week's International performers:****Best 5d:**

Symbol	Description	5d % chng
EUFN	EURO FINS	7.01%
EWP	Spain	6.59%
HEWG	Germany (FX'd)	6.51%
HEDJ	Europe (FX'd)	6.41%
EWI	Italy	6.15%
EWW	Mexico	6.06%
RSX	Russia	6.00%
PLND	Poland	5.86%
DXJ	Japan (FX'd)	5.52%
EWG	Germany	5.46%
ECH	Chile	5.25%

**Worst 5d:**

Symbol	Description	5d % chng
ASHR	China A	-1.89%
EWK	Hong Kong	-0.68%
FXI	China	0.40%
FM	Frontier Mkts	0.65%
EPU	Peru	1.32%
VNM	Vietnam	1.50%
THD	Thailand	1.62%
EPHE	Philippeanes	2.18%
EWM	Malaysia	2.21%
EWA	Australia	2.22%
EWK	Belgium	2.59%

## ETF Flows for the Week (week ending 12/9/16)

**Overall: More gigantic Equity inflows of +\$16.7B** (previous week +\$7.5B). **That is now +\$54B inflows over the last month.**

This is the most inflows I have ever seen in 1 month... Is this extreme? Yes, but keep in mind 2016 had less equity ETF inflows over the first 3 quarters of the year vs past years.

**In US sectors, it was more of the same – Financials +\$1.0B, Industrials +\$618M, and Materials +\$557M are still posting huge inflows** (see below table for details on individual names). **Those 3 sectors have seen huge inflows for now 3+ weeks in a row. Particularly interesting is different ETFs gaining assets inside these sectors.** For example, PFI (PowerShares DWA Financial Momentum Portfolio), MXI (iShares Global Materials ETF), and EUFN (iShares MSCI Europe Financials ETF) are seeing rare inflows. Many of these ETFs have smaller cap names that are now seeing investment.

What changed last week in US Sectors? **Consumer Discretionary, Tech, and Consumer Staples also saw good sized inflows.** Note 2 weeks ago there was a large rotation out of Staples and into Industrials, so Staples seeing inflows is a noticeable change from the last few weeks. **This group also saw call buying last week in individual names: CAG, CPB, K, SYY and PM.** Semis, a group that saw big outflows 2 weeks ago, gained almost all of the assets lost, posting +\$250M inflows last week.

On the outflow side, Health Care led outflows -\$537M last week, followed by Energy -\$324M, and Utilities, -\$308M. Note Energy saw massive inflows 2 weeks ago, and the XOP ETF was only ETF that saw the outflows, all other ETFs in the Energy sector saw small inflows.

**International ETFs were much more interesting last week.** Developed International markets saw inflows along with Emerging Markets. **Japan saw its 4th straight week of inflows, +\$202M last week.** Also notable, **Mexico, Russia, Europe, and Canada all saw inflows.** Keep in mind International countries / regions have been very quiet for most of 2016, so the fact that they are starting to see inflows is very interesting.

High Yield Bonds ETFs posted huge inflows of +\$2.8B inflows last week with HYG and JNK capturing \$1.9B of that number. **Gold ETFs once again saw outflows.** GLD (Gold) saw another \$464M outflows (-560M prior week) and IAU (Gold) -\$46M outflow.

**US Sectors (5d):** see chart next page

**International (5d):**

- **International ETFs +\$2.5B**
- **Country/ Region specific ETFs:**
  - Largest Inflows:**
    - Developed Markets +\$1.0B
    - Emerging Markets +\$475M
    - Mexico +\$215M
    - Japan +\$202M
    - Russia +\$200M
    - Canada +\$132M
    - Europe +\$198M
  - Largest Outflows:**
    - NONE

### Largest Flows by ETF

Inflows				
Ticker	Description	5d Mkt Value Chng	Fund Size	5d % Chng
SPY	SPX	\$ 6,512,744,296		3.0
HYG	HIGH YIELD BONDS	\$ 1,150,317,000		6.9
JNK	HIGH YIELD BONDS	\$ 765,870,365		6.7
MDY	MID CAPS	\$ 724,722,668		3.9
VOO	SPX	\$ 687,491,053		1.2
XLF	FINANCIALS	\$ 628,188,450		2.8

Outflows				
Ticker	Description	5d Mkt Value Chng	Fund Size	5d % Chng
QQQ	NDX	\$ (2,354,150,000)		-5.7
LQD	INVESTMENT GRADE BONDS	\$ (836,640,000)		-2.9
XOP	ENERGY&GAS EXP&PROD	\$ (695,037,000)		-22.4
IWM	SMALL CAPS	\$ (650,104,000)		-1.7
UWTIF	3X LONG CRUDE ETN	\$ (609,931,616)		-59.1
GLD	GOLD	\$ (463,722,000)		-1.4

EQUITY INFLOWS POST +\$16.7B INFLOWS week ending 12/9

LARGEST WEEKLY SECTOR INFLOWS

FINANCIAL ETF FLOWS +\$1.0B 5D				INDUSTRIALS ETF FLOWS +\$618M 5D				MATERIALS ETF FLOWS +\$557M 5D			
Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng	Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng	Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng
XLF	FINANCIALS	\$ 628,188,450	2.8	XLI	INDUSTRIALS	\$ 198,338,000	1.9	GDX	GOLD MINERS	\$ 150,891,000	1.7
EUFN	EUROPEAN FINANCIALS	\$ 184,110,000	51.4	VIS	INDUSTRIALS	\$ 91,989,811	3.5	VAW	MATERIALS	\$ 90,589,750	5.6
VFH	FINANCIALS	\$ 119,478,033	2.6	ITA	AEROSPACE & DEFENSE	\$ 87,078,000	5.0	MXI	GLOBAL MATERIALS	\$ 68,592,000	25.8
PFI	FINANCIAL MOMENTUM	\$ 70,155,000	250.0	FXR	INDUST/PROD DURABLES	\$ 49,430,500	3.6	GUNR	GLOBAL NAT RESOURCES	\$ 60,598,000	1.7
FNCL	FINANCIALS	\$ 59,823,000	12.4	IYJ	US INDUSTRIALS	\$ 37,086,000	3.3	XLB	MATERIALS	\$ 43,775,000	1.2
KBE	BANKS	\$ (56,010,000)	-1.6	XAR	AEROSPACE & DEFENSE	\$ 36,136,320	7.8	XME	METALS & MINING	\$ 39,720,000	4.2
FAS	FINANCIALS BULL 3X	\$ (123,508,000)	-3.7	IYT	TRANSPORTS	\$ 33,918,000	2.7	IYM	US BASIC MATERIALS	\$ 34,628,000	4.9
CONSUMER DISCRETIONARY ETF FLOWS +\$495M 5D				TECH ETF FLOWS +\$372M 5D				CONSUMER STAPLES ETF FLOWS +\$290M 5D			
Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng	Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng	Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng
XLY	CONSUMER DISCRETIONARY	\$ 333,020,285	3.0	SMH	SEMIS	\$ 215,099,964	37.2	XLP	CONSUMER STAPLES	\$ 465,758,520	6.3
VCR	CONSUMER DISCRETIONARY	\$ 69,914,250	3.5	XLK	TECH	\$ 170,275,486	1.3	VDC	CONSUMER STAPLES	\$ 6,734,000	0.2
XRT	RETAIL	\$ 40,749,000	5.6	SOXX	SEMIS (SOX INDEX)	\$ 36,309,000	5.7	UGE	2X CONSUMER GOODS	\$ 1,881,845	20.0
ITB	HOME CONSTRUCTION	\$ 34,572,000	3.1	VGT	INFORMATION TECH	\$ 27,679,500	0.3	SZK	2X SHORT CONS GOODS	\$ 56	0.0
PKB	DYN HOME CONSTR	\$ 18,934,500	9.1	IYW	US TECH	\$ 24,312,000	0.8	RHS	EQUAL WGT CONS STPLS	\$ (11,987,580)	-2.2
IYC	US CONSUMER SERVICES	\$ 15,513,000	1.7	QTEC	NASDAQ 100 TECH	\$ 13,217,606	0.9	FXG	CONSUMER STAPLES	\$ (80,570,000)	-8.7
XHB	HOMEBUILDERS	\$ (17,755,000)	-1.5	IGV	N.A.TECH-SOFTWARE	\$ (95,421,000)	-12.9	PSL	DWA CONSUMER STAPLES	\$ (92,242,000)	-46.6

LARGEST WEEKLY SECTOR OUTFLOWS

HEALTH CARE ETF FLOWS -\$537M 5D				ENERGY ETF FLOWS -\$324M 5D				UTILITIES ETF FLOWS -\$308M 5D			
Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng	Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng	Ticker	Description	5d Mkt Value Chng	Fund Size 5d % Chng
XBI	S&P BIOTECH	\$ (340,450,000)	-11.4	XOP	ENERGY&GAS EXP&PROD	\$ (695,037,000)	-22.4	XLU	UTILITIES	\$ (196,637,918)	-2.9
IBB	NASDAQ BIOTECH	\$ (67,417,500)	-0.9	XES	OIL&GAS EQUIP & SERV	\$ 22,135,000	7.9	PUI	DWA UTILITIES	\$ (70,482,500)	-50.9
XLV	HEALTH CARE	\$ (65,405,435)	-0.5	EMLP	N.A. ENERGY INFRASTR.	\$ 29,856,000	2.1	FXU	UTILITIES	\$ (37,254,000)	-2.4
PJP	DYN PHARMACEUTICALS	\$ (25,002,000)	-2.8	XLE	ENERGY	\$ 42,130,000	0.2	RYU	EQUAL WGT UTILITIES	\$ (4,007,000)	-2.4
FXH	HEALTH CARE ALPHADEX	\$ (23,200,000)	-2.5	OIH	OIL SERVICES	\$ 57,519,115	4.5				
XPH	PHARMACEUTICALS	\$ (17,446,500)	-3.6	AMLP	MLPS	\$ 64,207,806	0.7				
IYH	US HEALTHCARE	\$ (14,384,000)	-0.8	PXI	ENERGY MOMENTUM	\$ 77,554,000	49.3				

## ETFs of the Week:

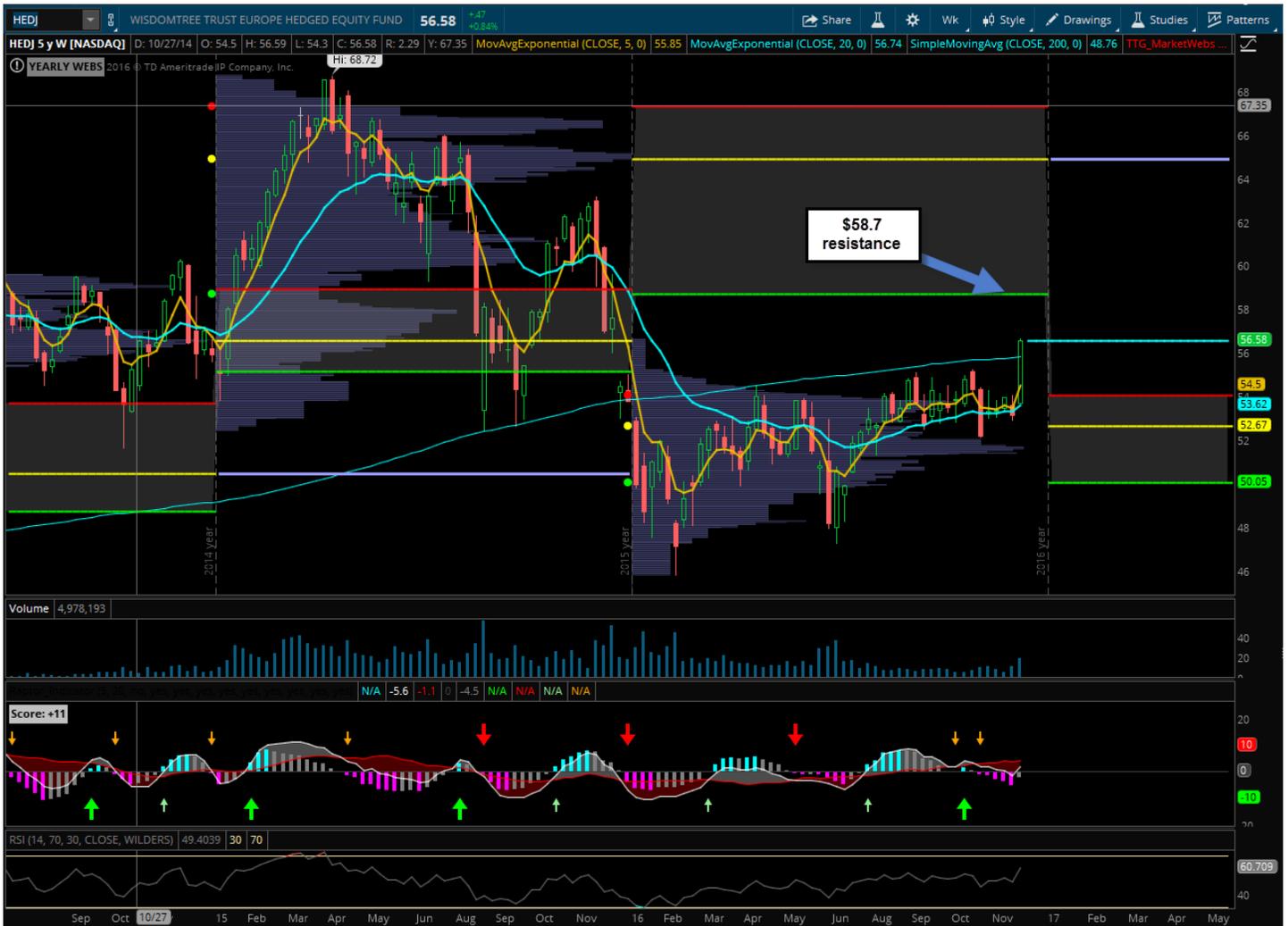
### HEDJ (WisdomTree Europe Hedged Equity Fund)

Last week I sent out a long trade idea in HEDJ – here is the complete article link:

<http://www.traderplanet.com/articles/view/170462-time-to-go-long-european-equities/>

I am posting it here again, because European ETFs actually saw inflows last week. Watch \$58.70 resistance.

HEDJ Weekly Chart



## EUFN (iShares MSCI Europe Financials ETF)

Sticking with the European theme – EUFN posted +\$184M in inflows last, week – that is a 51% increase in its fund size. The last few weeks we have been seeing call buying in CS (Credit Suisse) and last week we saw large call buying in DB (Deutsche Bank AG). If one does not want stock specific risk to CS or DB, then owning the whole group through the EUFN ETF is a good substitute in my opinion.

EUFN Weekly chart



## XLY (Consumer Discretionary Select Sector SPDR Fund)

The consumer discretionary space has been an underperformer for most of 2016. However, last week the group broke out. Below I have the weekly chart – and it looks great to me, with defined support of \$82.31. On the daily chart, the XLY ETF is a bit overbought so at this point I am waiting for a small pull back to initiate a long. Many individual names within this sector are a bit overbought, but I am watching DIS, YUM, NFLX, MCD, SBUX, AMZN, MAR, and F as these names have seen recent aggressive call buying. I am also watching TJX and ROST.

XLY Weekly chart



## MOO (VanEck Vectors Agribusiness ETF)

In the last few newsletters, I have talked about longs in the Materials space which have worked out great. I am including the MOO ETF this week because it's absolutely on fire. I have been participating by going long individual names – CF and DOW. So, I am including these both the daily and weekly charts to illustrate that the daily chart is extremely overbought and needs to cool. However, looking at the weekly chart illustrates that there may be more upside to go considering top of the yearly value area is \$58.10 (9% from current price). So, I'm waiting for dips to get longer in this sector and individual names.

MOO Daily Chart



MOO Weekly Chart



## RSX (VanEck Vectors Russia ETF)

The RSX ETF posted +\$212M inflows last week which is an increase of 10% of the fund size. This is another area that we have seen outsized call buying and the ETF / Country has broken out. The RSX is certainly overbought here in the short term, but I wanted to include a multi-year chart to put things in perspective. The RSX has been an underperformer for the last few years and it has broken out of this downtrend. So, while it's overbought in the short term, I want to get long the RSX on dips because the bigger picture looks bullish.

RSX Daily Chart



**Thank you for reading the TTG newsletter, please respond back to me with any comments or questions.**

Copyright © Tribeca Trade Group. All of the information in this newsletter is for entertainment and educational purposes only and is not to be construed as investment or trading advice. None of the information in this newsletter is guaranteed to be accurate, complete, useful or timely. IMPORTANT NOTICES AND DISCLAIMERS TriBeCa Trade Group is not an investment advisor and is not registered with the U.S. Securities and Exchange Commission or the Financial Industry Regulatory Authority. Further, owners, employees, agents or representatives of TriBeCa Trade Group are not acting as investment advisors and might not be registered with the U.S. Securities and Exchange Commission or the Financial Industry Regulatory. All persons and entities (including their representatives, agents, and affiliates) contributing to the content on this website are not providing investment or legal advice. Nor are they making recommendations with respect to the advisability of investing in, purchasing or selling securities, nor are they rendering any advice on the basis of the specific investment situation of any particular person or entity. All information in this newsletter is strictly informational and is not to be construed as advocating, promoting or advertising registered or unregistered investments of any

kind whatsoever. The information provided on this website is provided “as-is” and is not guaranteed to be correct, complete, or current. The sole purpose of this newsletter (including, but not limited to, the contents of this website and any oral or written presentation made in any way referring to or relating to this website) is to provide information which could possibly be used by a person or entity in discussions with his/her/its investment advisors and/or investment decision makers and does not function as a substitute for the advice of an investment advisor. You should consult with your own trusted financial professionals before making any investment or trading decisions. TriBeCa Trade Group is not responsible for the accuracy of any information on this website or for reviewing the contents of the listings that are provided by the listees or any linked websites, and TriBeCa Trade Group is not responsible for any material or information contained in the linked websites or provided by listees. TriBeCa Trade Group makes no warranty, express or implied, about the accuracy or reliability of the information on this website or on any other website to which this website is linked. Your use of this website is at your own risk. In addition, if you use any links to other websites, you do so at your own risk and understand that such linked website is independent from TriBeCa Trade Group. TriBeCa Trade Group does not endorse such linked websites and is not responsible for the contents or availability of such linked websites. These links are provided only as a convenience to you. TriBeCa Trade Group is not responsible for any loss, injury, claim, liability, or damage related to your use of this website or any website linked to this website, whether from errors or omissions in the content of our website or any other linked websites (e.g., injury resulting from the website being down or from any other use of the website). Any information that you send to us in an e-mail message is not confidential or privileged, and TriBeCa Trade Group may use any information legally provided to us for any legal purpose. Owners, employees, agents or representatives of TriBeCa Trade Group may have interests or positions in securities of the company profiled herein. Specifically, such individuals or entities may buy or sell positions, and may or may not follow the information provided in this newsletter. Some or all of the positions may have been acquired prior to the publication of such information on the website, and such positions may increase or decrease at any time. Any opinions expressed and/or information on this website are statements of judgment as of the date of publication /or/ circulation on the website, and such opinions and/or information are subject to change without further notice. Any such change may not necessarily be made available immediately on this website or elsewhere. None of the materials or advertisements herein constitute offers or solicitations to purchase or sell securities of the company profiled herein. Day trading, short term trading, options trading, and futures trading are extremely risky undertakings. They generally are not appropriate for someone with limited capital, little or no trading experience, and/ or a low tolerance for risk. Never execute a trade unless you can afford to and are prepared to lose your entire investment. All trading operations involve serious risks, and you can lose your entire investment. In addition, certain trades may result in a loss greater than your entire investment. Always perform your own due diligence and, as appropriate, make informed decisions with the help of a licensed financial professional. TriBeCa Trade Group makes no warranties or guarantees as to our accuracy, the profitability of any trades which are discussed, or any other guarantees or warranties of any kind. You should make your own independent investigation and evaluation of any possible investment or investment advice being considered. Commissions, fees and other costs associated with investing or trading may vary from broker to broker. You should speak with your broker about these costs. Be aware that certain trades that may be profitable for some may not be profitable for you, after taking into account these costs. You should also be aware that, in certain markets, you may not always be able to buy or sell a position at the price I discuss. Thus, you may not be able to take advantage of certain trades discussed herein.