



# Technical Update

Bob Dickey – Technical Strategist

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**It's different this time.** Stock market trends are different every time, and although it is normal to try and draw comparisons between today's market and past cycles, there are just too many variables involved to draw any accurate conclusions as to where the market may be headed. The most confusing part of the process is the short-term daily news that some try to use to translate a few current facts into a market trend. And then there are the longer-term statistics that we see quoted to measure price and time, and some may expect the market to perform along those same historic lines as we move forward, but that kind of analysis can also lead to conclusions that the market then does not follow. We find that different indicators can mean different things to the market in each market cycle, and we cannot expect the market to follow the same path just because a pattern has been seen before. This confusion is what makes it so difficult to forecast the market trend, but also makes it more interesting. Over the long haul, it is the earnings that drive the fundamental trend, and then the long-term price trend that drives the technical strategy, with the short-term news and noise causing the distractions and opinions that make following a long-term strategy much more difficult than it has to be.



Chart courtesy StockCharts.com and RBC Wealth Management

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