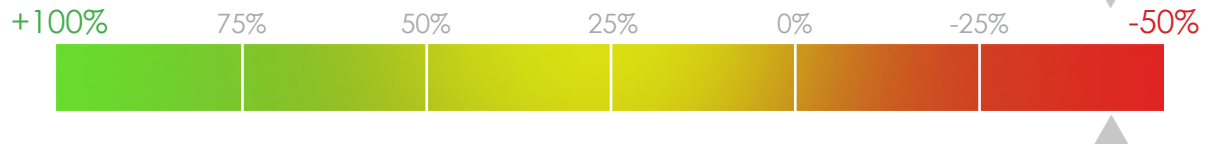


EDITOR: DICK STERN

CIO: BRAD LAMENSDORF



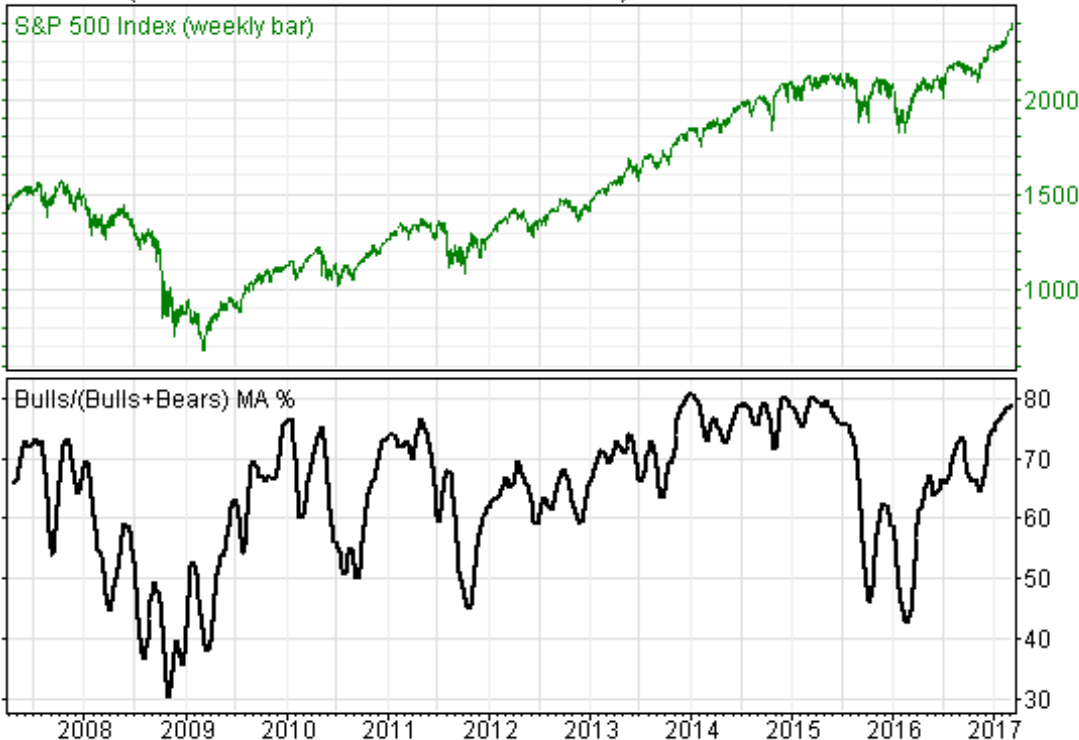
The charts and graphs presented in LMTR's newsletter are not produced by LMTR. The interpretation of the charts and graphs is only the opinion of LMTR and does not reflect the associated firms' opinions.

Optimistic Sentiment at 30 Year High Signals Serious Market Setback

Sentiment is a powerful tool for analyzing market direction. When opinion leans to an extreme in one direction, contrarians see this as an historic warning sign and tend to go the opposite way rather than following the flock. We are currently experiencing multi-decade high extremes of optimism, and we view this euphoria as a warning sign. The March issue of LMTR focuses specifically on sentiment.

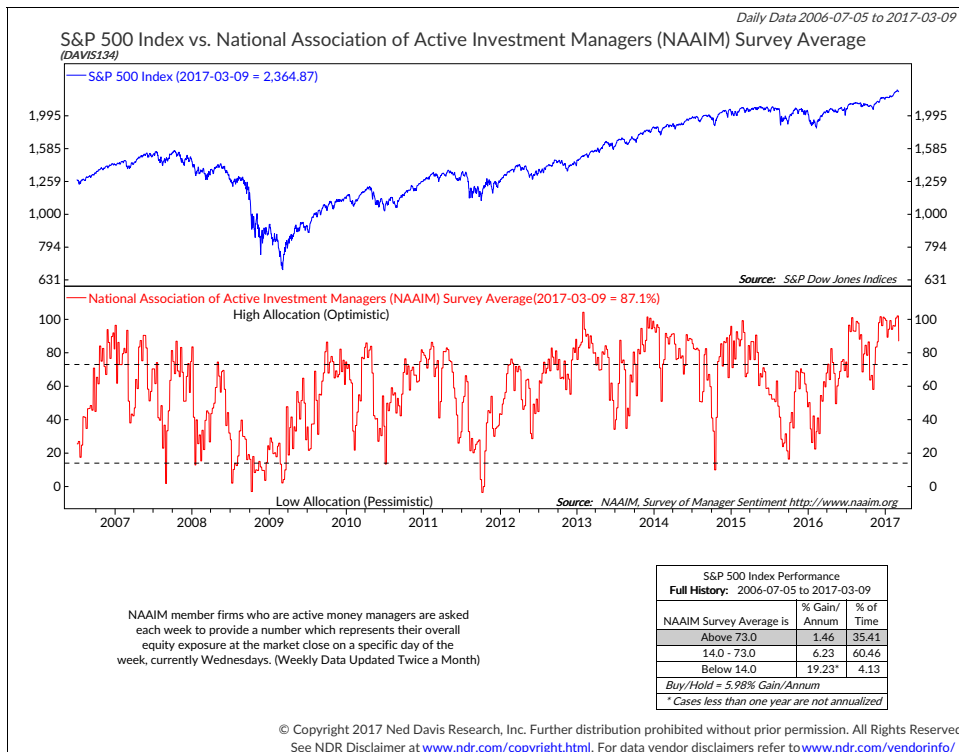


4 wk MA of (Bullish Advisors / Bullish + Bearish Advisors) : 7 Mar 2017



The Investors-Intelligence newsletter writer sentiment number hit 63 in February, which is a 30-year high. We have not seen such a lofty level since the summer preceding the October 19, 1987 market crash known as “Black Monday”, when the Dow lost 22.6% of its value. The Bullish advisors / Bullish + Bearish advisors gauge, created by the renowned investor Marty Zweig., is also at an extreme. This rare occurrence is very negative.

© Copyright 2017, All Rights Reserved www.investorsintelligence.com. Further distribution prohibited without prior permission.



A survey of the National Association of Active Investment Managers (NAAIM) reveals weekly average equity exposure. Active managers tend to become less exposed to the market at bottoms and fully invested preceding corrections. Because managers are constantly judged against market benchmarks, performance anxiety can lead to irrational investment decisions as managers attempt to maintain their relative performance. It therefore is no surprise that as market indexes set records in February this gauge hit 100, which means that the polled group was 100% invested. Managers are desperately trying to keep up with their bogeys, ignoring historic warning signs.

IPO performance is another good gauge of market sentiment. Jason at Sentimentrader.com created a study that analyzes IPOs with market caps of more than \$1 billion that appreciated more than 30% during the first day of listing. Hot IPOs can be a characteristic of an overenthusiastic market. Note that historically many of these hot IPOs turn into dogs over the longer term. The recent Snap offering at 90x sales definitely meets this criteria.

S&P 500 After IPO Of > \$1 Billion Jumped 30% From Offer To 1st Close



Signals (1996-2017)	1 Week Later	2 Weeks Later	1 Month Later	2 Months Later	3 Months Later	6 Months Later	1 Year Later
1999-05-04	1.8%	0.1%	(2.4%)	4.4%	(0.7%)	1.7%	8.6%
1999-11-10	2.7%	3.2%	3.2%	4.7%	3.2%	2.5%	2.6%
1999-11-17	0.5%	(0.1%)	0.7%	3.2%	(1.6%)	1.9%	(1.5%)
2000-07-28	3.0%	3.7%	6.6%	0.5%	(3.9%)	(3.9%)	(15.2%)
2000-09-27	0.5%	(4.3%)	(4.4%)	(5.4%)	(6.8%)	(19.5%)	(24.8%)
2001-02-08	(0.4%)	(6.5%)	(11.4%)	(12.3%)	(5.8%)	(11.2%)	(16.2%)
2004-04-02	0.3%	(0.5%)	(1.9%)	(2.2%)	(2.2%)	(0.6%)	3.5%
2006-11-15	0.7%	0.3%	2.2%	2.4%	4.5%	9.2%	4.5%
2007-08-14	1.4%	0.4%	4.0%	9.5%	0.9%	(4.2%)	(9.9%)
2008-04-22	1.1%	3.1%	1.1%	(4.2%)	(7.2%)	(28.4%)	(38.7%)
2013-11-06	0.7%	0.6%	2.0%	3.8%	1.5%	6.1%	14.7%
2014-10-29	2.1%	2.8%	4.3%	4.9%	0.6%	6.4%	5.4%
2014-12-11	1.3%	2.6%	(0.6%)	2.6%	2.3%	2.4%	(1.1%)
2017-03-02							
Mean	1.2%	0.4%	0.3%	0.9%	(1.2%)	(2.9%)	(5.2%)
All Days	0.1%	0.2%	0.4%	0.7%	1.0%	2.1%	4.2%
Risk	(0.6%)	(1.6%)	(2.6%)	(3.6%)	(5.2%)	(9.3%)	(14.4%)
Reward	1.5%	2.3%	2.9%	4.2%	4.6%	5.9%	7.9%
# Up / Down	12 / 1	9 / 4	8 / 5	9 / 4	6 / 7	7 / 6	6 / 7
Relevance	100%	23%	43%	77%	90%	10%	80%

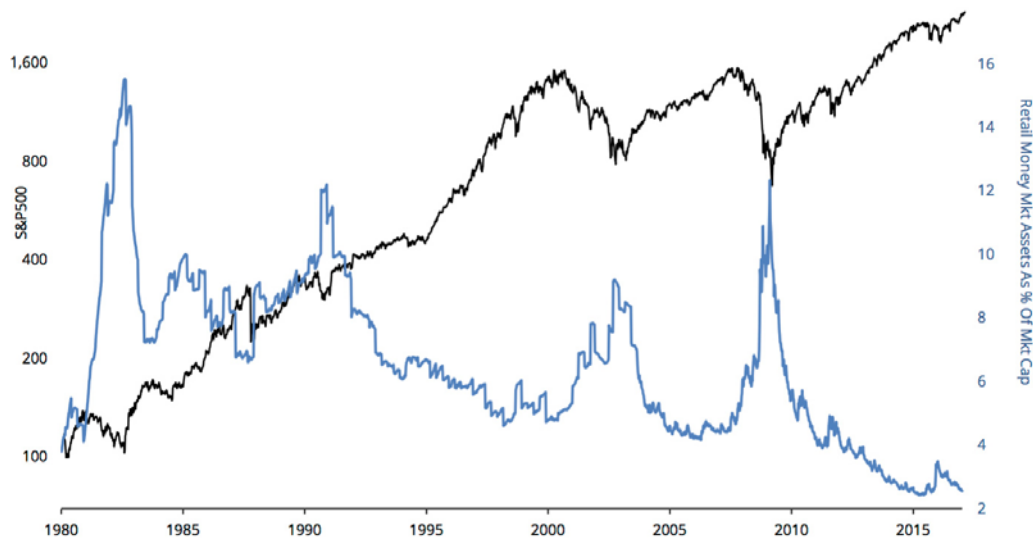
S&P 500 After IPO Of > \$1 Billion Jumped 30% From Offer To 1st Close And Close > Open

Mean	1.4%	0.3%	0.2%	(1.3%)	(2.2%)	(6.4%)	(11.8%)
All Days	0.1%	0.2%	0.4%	0.7%	1.0%	2.1%	4.2%
Risk	(0.2%)	(1.7%)	(2.8%)	(4.3%)	(7.0%)	(12.8%)	(20.5%)
Reward	1.9%	2.4%	3.4%	4.0%	4.3%	5.8%	6.3%
# Up / Down	6 / 1	5 / 2	5 / 2	4 / 3	3 / 4	3 / 4	3 / 4
Relevance	96%	91%	57%	8%	99%	74%	100%

Copyright © 2017 SENTIMENTRADER Relevance > 95% suggests significance; Risk = avg max loss; Reward = avg max gain

Copyright © 2017 Sundial Capital Research. Further distribution prohibited without prior permission.

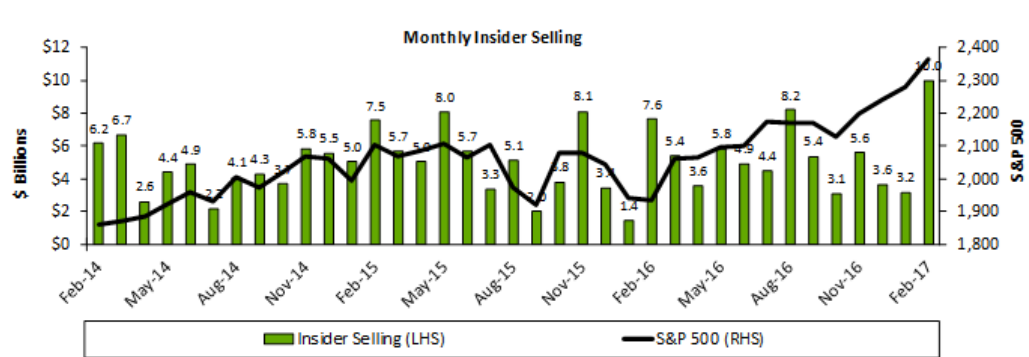
Retail Money Market Assets Are Near Record Lows As % Of The Stock Market



Source: Federal Reserve, SENTIMENTRADER

Copyright © 2017 Sundial Capital Research. Further distribution prohibited without prior permission.

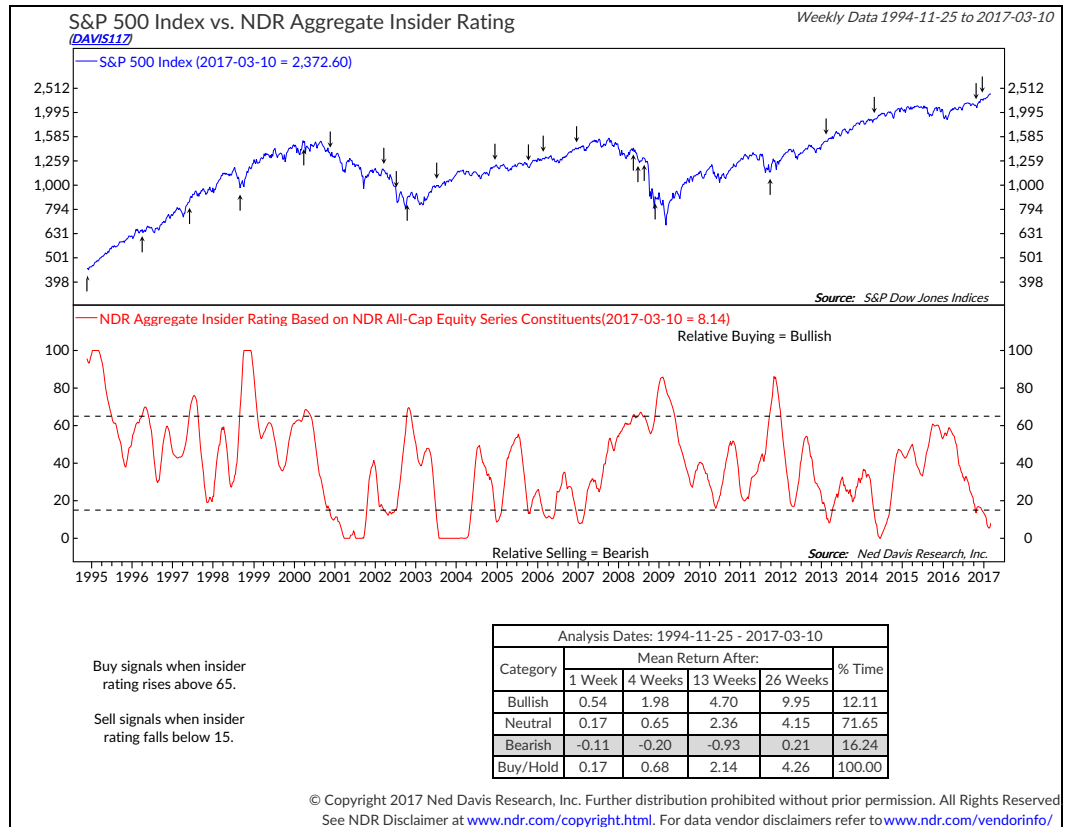
According to the Federal Reserve, the amount of cash held by retail -- individual investors -- continues to evaporate. As of February, retail investor cash levels were at 2.6% of U.S. stock market capitalization, which means they were fully invested in stocks. If retail and professional money managers appear to be fully invested, it begs the question: Who is left to buy?



Copyright © 2017 Trim Tabs. Further distribution prohibited without prior permission.

The Wall Street Journal Online recently published an article reporting insider buying at its lowest in 30 years. Moreover, the indicators that we monitor suggest extremely high insider selling is also taking place. Trim Tabs Investment Research released February numbers that show the highest amount of insider selling in seven years. What do company insiders know that other investors don't? A lot!

Ned Davis Research has created a proprietary insider gauge called the NDR Aggregate Insider Rating. Its current reading of 8.14 is very bearish.



CONCLUSION

Many so-called financial pundits we read in print or see on cable business channels seem to incorrectly espouse personal opinions that come from the gut rather than rely on a well-defined process. This approach does not work well in investing or baseball. (See Michael Lewis' books "Money Ball" and the "Undoing Project.") In contrast, LMTR uses hard data and empirical evidence in favor of baseless opinion. Our sentiment gauges remain overly enthusiastic. We retain our 50% short position, and as always real-time, paid LMTR subscribers will receive an intra-month alert should the situation shift.

SUBSCRIBE TO THIS NEWSLETTER

Sign up at the new LMTR.com

Contact us today to receive this newsletter at the low annual price of just \$299.

Phone: 203-557-3006 **Email:** brad@LMTR.com

Please send a check to: **LMTR**
PO Box 5087, Westport, CT 06881

We also accept



DISCLAIMER

Lamensdorf Market Timing Report is a publication intended to give analytical research to the investment community. Lamensdorf Market Timing Report is not rendering investment advice based on investment portfolios and is not registered as an investment advisor in any jurisdiction. Information included in this report is derived from many sources believed to be reliable but no representation is made that it is accurate or complete, or that errors, if discovered, will be corrected. The authors of this report have not audited the financial statements of the companies discussed and do not represent that they are serving as independent public accountants with respect to them. They have not audited the statements and therefore do not express an opinion on them. The authors have also not conducted a thorough review of the financial statements as defined by standards established by the AICPA.

This report is not intended, and shall not constitute, and nothing herein should be construed as, an offer to sell or a solicitation of an offer to buy any securities referred to in this report, or a "buy" or "sell" recommendation. Rather, this research is intended to identify issues portfolio managers should be aware of for them to assess their own opinion of positive or negative potential.

The LMTR newsletter is NOT affiliated with any ETF's Nor any investment Advisors.

LAMENSDORF 
MARKET TIMING REPORT

WESTPORT, CONNECTICUT
BRAD@LMTR.COM

BIO

Brad Lamensdorf, a seasoned money manager and market strategist, is the CIO of The Lamensdorf Market Timing Report, a newsletter designed to help investors improve performance via market timing by assessing the environment of the stock market using a variety of technical, fundamental and sentiment-oriented tools from powerful independent research firms. Many investors mechanically enter and depart the market without a true "game plan." Studies have shown that retail investors, in particular, are very poor market timers, tending to invest at or near market peaks and sell at or near market lows. The newsletter is designed to provide risk parameters for both professional and retail investors around the short-term stock market environment, giving subscribers better insight about when to allocate assets into or out of the equity markets.

Lamensdorf, a frequent guest commentator and analyst on major business networks including CNBC, CNN and Fox Business News, also serves as a Portfolio Manager and Principal of Ranger Alternative Management LP, a sub-advisor to the Advisor Shares Ranger Equity Bear Exchange Traded Fund (NYSE: HDGE). In this role, he conducts top-down technical evaluations of broader market liquidity, sentiment and breadth to help identify short and intermediate-term market trends, manage exposure and mitigate risk. HDGE was launched in 2011 and is the first and sole actively managed, short-only ETF in existence.

Lamensdorf, also has managed investment portfolios for the Hughes family and was principal of Tarpon Partners, managing a long/short fund that was up more than 200% gross over six years. Earlier in his career, he was an equity trader/market strategist for Taylor and Company, the Bass brothers' trading arm, co-managing a short-only strategy in a derivative format with national exposure. He also served as the in-house market timing strategist for the entire internal and external network of Bass managers.