

LOOK TO SEPTEMBER FOR DIRECTION

“The trend is your friend” may be the oldest (certainly one of the most familiar) – and well-founded – of all marketplace adages.

There are many ways to find and define “trend.” Whether with patterns, via indicators or by any number of means, what is important is to have a way to define “trend” – one which we (you and/or I) find useful.

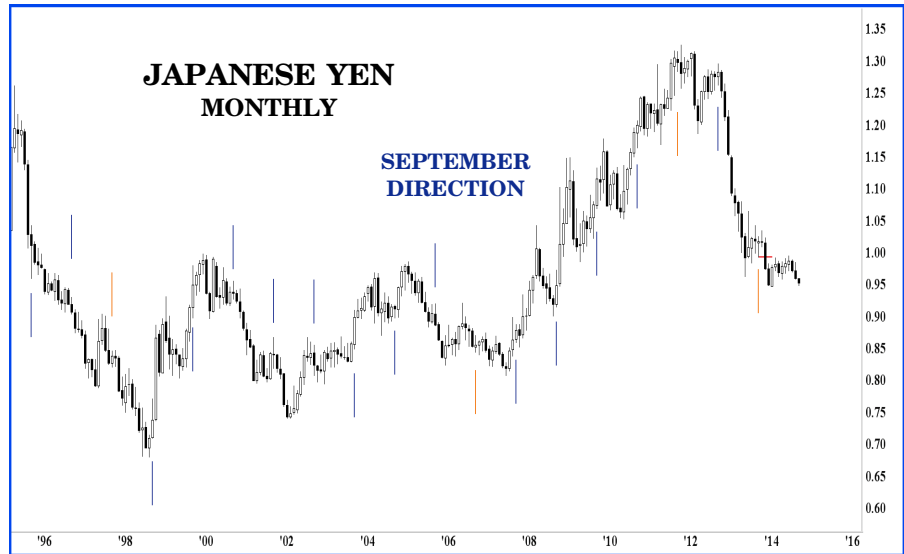
What may also prove useful (maybe even valuable) is to know times when trending movement is likely to occur.

For at least two markets, the *Japanese yen* and *U.S. dollar index*, September marks such a time. However, unlike seasonal studies – which commonly point to times when a market has frequently moved in a particular direction (whether it actually “trends” or not) – September is a time which is favorable for trending moves in these markets. . . regardless of whether those trends point “up” or “down.”

Now, it isn’t quite “that” simple – although the concept is simple. Yet, for the sake of accuracy, in 15 of the last 19 years, a significant trend has either been set during or emerged “coming out of” the month of September in the yen. In some years, the market was already in a trending mode as summer came to an end, in others a trend clearly began during September and for the rest (except for those three years that “fizzled”), the market was in the “starting blocks” to trend as the month came to an end.

In most years, the trending movement lasted for the better part of two to three months – sometimes longer (even much longer). Though not all moves were dynamic, many were quite substantial.

Though it has not been around as long, the phenomenon has been expressed in the U.S. dollar index in much the same way. In 11 of the last 13 years, September has either kicked off or extended trending movement in the dollar. Of the other two years (2012), September marked a low – which, notably, has not been broken. So, has the dollar gotten a running start in 2014 or is a bigger reversal coming!?!



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Keep in mind, there are no “sure things” in the marketplace – no matter how strong a historical pattern may be or how well a “setup” may be, “it” can and does happen.

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