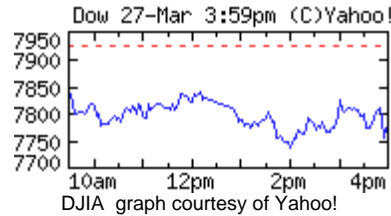


## MarketTrak's Forecast of the Dow Jones Industrial Average (DJIA)



## MarketTrak Forecast Summary

Last Forecast Page Update: Friday, 03/27/09 16:48 MDT

Last Market Data Entry: Friday, 03/27/09

Current ANO value: 0.001208 [ forecast model is version 21.1 ]

ANO value computed one day ago: 0.000877 [ determines trading position at close ]

Trading Position at Close (data entry date): CASH

Trading Position at Close of Next Trading Session: CASH

DJIA Close: 7776.18 DJIA Trailing Stop Set Point: not defined

Notices/Comments: Hi Rich, Welcome back!

The current forecast model version (21.1) is in cash with the ANO rising.

We will update our forecast model with version 25.1 on Saturday. This version is currently long with the ANO rising. We will send an email when the update is complete.

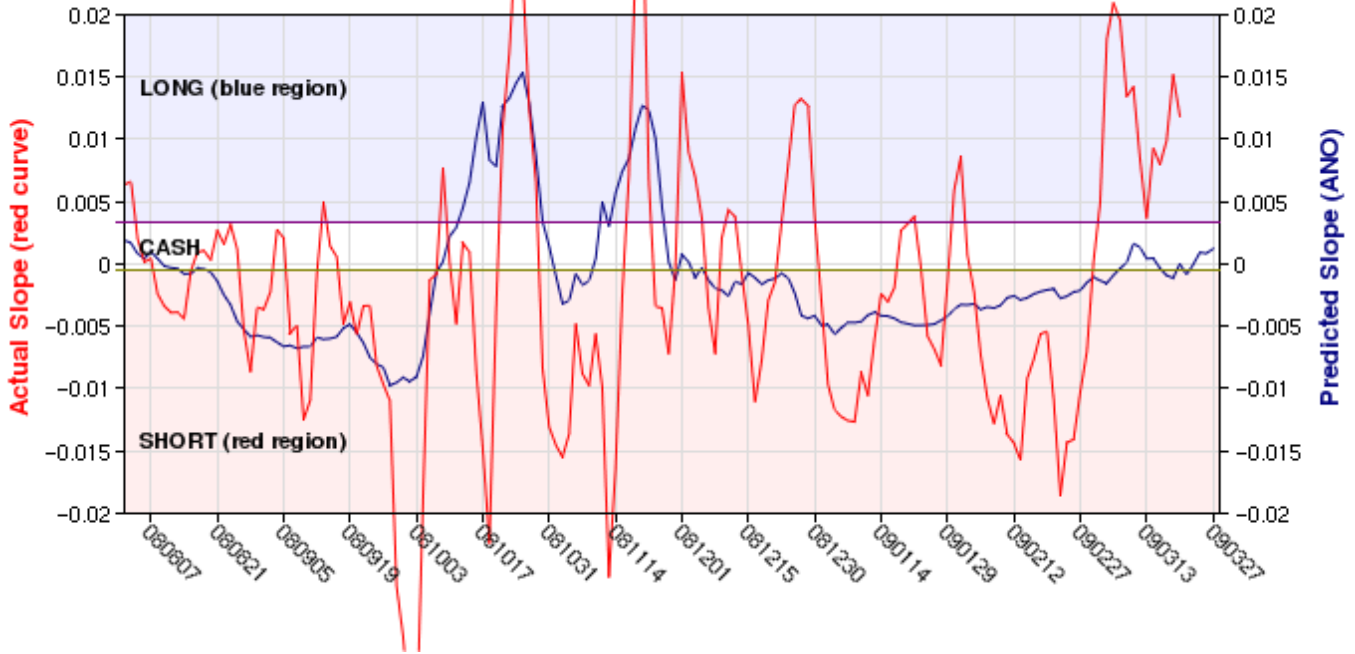
[Click here](#) for a roadmap of this forecast page. [Click here](#) to see current performance data.

[Click here](#) for our message board. [Click here](#) to see some past results with this version.

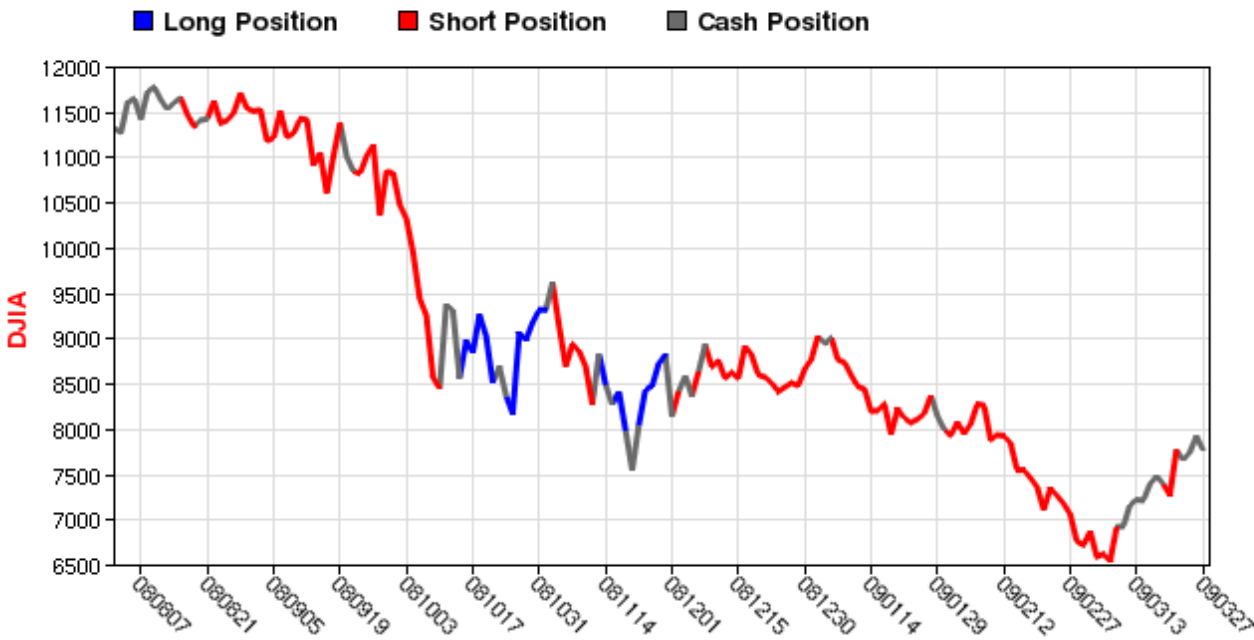
About the Forecast: We use an advanced neural network model and an evolutionary training algorithm to forecast the forward 5-day slope of the closing DJIA values. The slope forecast is given by a numerical value called the Average Network Output (ANO). A positive ANO means that the model expects the market to move higher over the next five trading days while a negative value implies a lower market. We use the ANO computed at the close of the previous trading day (delayed ANO) to determine the trading position at the close today. This position can be long or short the Dow Diamonds (symbol DIA) or the SP500 Spiders (symbol SPY), or the trading position can be cash. All trades are made at or near the session close. The charts below show the model results for the last 165 trading days. A long position is given when the delayed ANO rises above the long set point (+0.0033) and a short position is given when the delayed ANO falls below the short set point (-0.0005). A cash position is given when the delayed ANO lies between these two regions. We use a trailing stop which is set at 5.0 percent. The vertical grid lines in these charts are 10 trading days apart. The forecast is updated daily after the close and posted here before 8:00 PM MT. This forecast when properly combined with other technical and fundamental indicators may help you in your investment decisions. Please read our disclaimer below.

Model Results: The results of our model calculations for the last 165 trading days are shown in the two charts below:

### Actual Slope vs Predicted



### Forecast Model Results



The different color regions in the first chart correspond to the three possible trading positions. The second chart shows the trading positions as determined by the forecast model.

Performance of the current [forecast](#) model is shown in the table below. The first column of data shows results for the last 165 trading days. The second column shows results since the model was updated on December 13, 2008. The drawdown is the maximum drop in any position's value during the total days shown. [Page Top](#)

Forecast Model Performance		
Buy and hold return	-31.66 percent	-9.89 percent
Forecast model return	51.49 percent	10.82 percent
Max model drawdown	5.07 percent	5.07 percent

Total stops	7	4
Days long	18	0
Days cash	44	15
Days short	103	56
Total days	165	71

The table below shows the results of calculations using our neural network forecast model. The data in the table were computed by averaging the results of more than 200 networks trained on 4900 days of stock market data. The last 200 trading days were not included in the training set so the data presented are blind predictions.

Forecast Model Output (Last 15 days)						
Date	DJIA	ANO	ACT	YLD	STD	POS
090309	6547.05	-0.000326	0.019558	0.0084	0.3594	SHORT
090310	6926.49	0.000103	0.013446	0.0461	0.3605	STOPPED
090311	6930.40	0.001644	0.014226	0.1645	0.3287	CASH
090312	7170.06	0.001359	0.008449	0.1442	0.3324	CASH
090313	7223.98	0.000436	0.003616	0.0742	0.3538	CASH
090316	7216.97	0.000465	0.009330	0.0759	0.3512	CASH
090317	7395.70	-0.000324	0.007989	0.0166	0.3761	CASH
090318	7486.58	-0.000908	0.009891	-0.0398	0.3710	CASH
090319	7400.80	-0.001122	0.015124	-0.0600	0.3811	SHORT
090320	7278.38	0.000025	0.011874	0.0400	0.3424	SHORT
090323	7775.86	-0.000845	-	-0.0629	0.3656	STOPPED
090324	7660.21	-0.000046	-	0.0433	0.3478	CASH
090325	7749.81	0.000919	-	0.1403	0.3432	CASH
090326	7924.56	0.000877	-	0.1319	0.3476	CASH
090327	7776.18	0.001208	-	0.1402	0.3355	CASH

where:

DATE is the date of the data entry,  
 DJIA is the closing DJIA value for the date shown,  
 ANO is the Average Network Output (see our model details),  
 ACT is the actual value of the forward 5-day slope,  
 YLD is the expected daily yield in percent of the DJIA,  
 STD is the standard deviation of the expected yield,  
 POS is the trading position at the close.

Disclaimer: You may use our forecast as long as you totally agree with the following terms and conditions: Our mission is to make our forecast the best available, but we do not guarantee its accuracy or profitability. We provide the forecast on an "as is" and "as available" basis without any warrantee of any kind. Specifically, MarketTrak disclaims any and all warranties, expressed or implied, including without limitation warranties of merchantability, profitability, and fitness for a particular purpose. In no event shall you hold MarketTrak liable for any direct, indirect, incidental, punitive, or consequential damages of any kind whatsoever. You bear full responsibility for your own investment research and investment decisions. Nothing in our forecasts should be interpreted as a recommendation or solicitation to buy or sell any security, or to take any specific action. The opinions or comments expressed may change without notice. You determine if and how the forecast is used in your investments. You recognize that past performance does not indicate future results. If these terms and conditions are unacceptable to you, please [contact us](#) and we will cancel your account and immediately send you a refund for the unused portion of your subscription. [Click here](#) for a complete disclosure of our disclaimer.

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