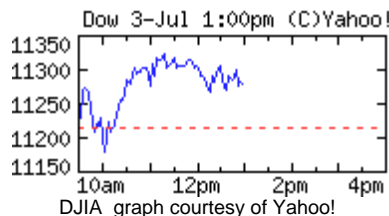


MarketTrak's Forecast of the Dow Jones Industrial Average (DJIA)



MarketTrak Forecast Summary

Last Forecast Page Update: Friday, 07/04/08 11:47 MDT

Last Market Data Entry: Thursday, 07/03/08

Current Forecast: UP - Stocks should generally move higher over the next few weeks.

Current ANO value: 0.002184 [Standard forecast model is version 16.1]

ANO value computed six days ago: 0.000543 (delayed ANO - trading model input)

Trading Model Position at Close (data entry date): LONG

Trading Model Position at Close of Next Trading Session: LONG

Notices/Comments: Welcome to MarketTrak!

The trading model is now indicating a long position. We expect to see the market turn higher next week.

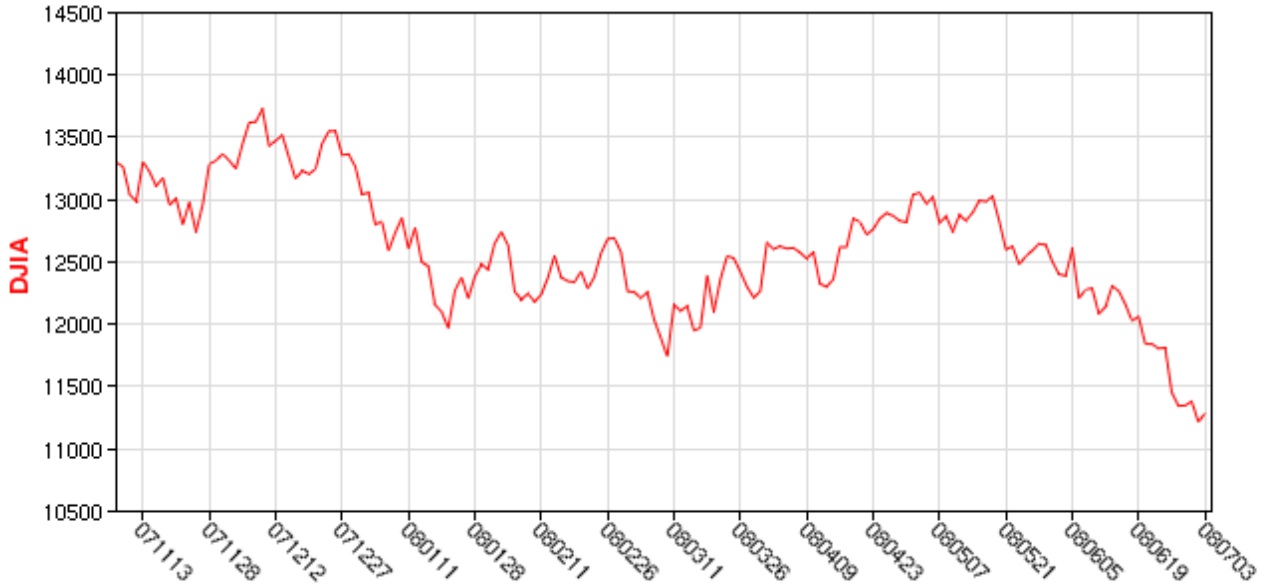
[Click here](#) to see recent trading model performance.

[MarketTrak Message Board](#)

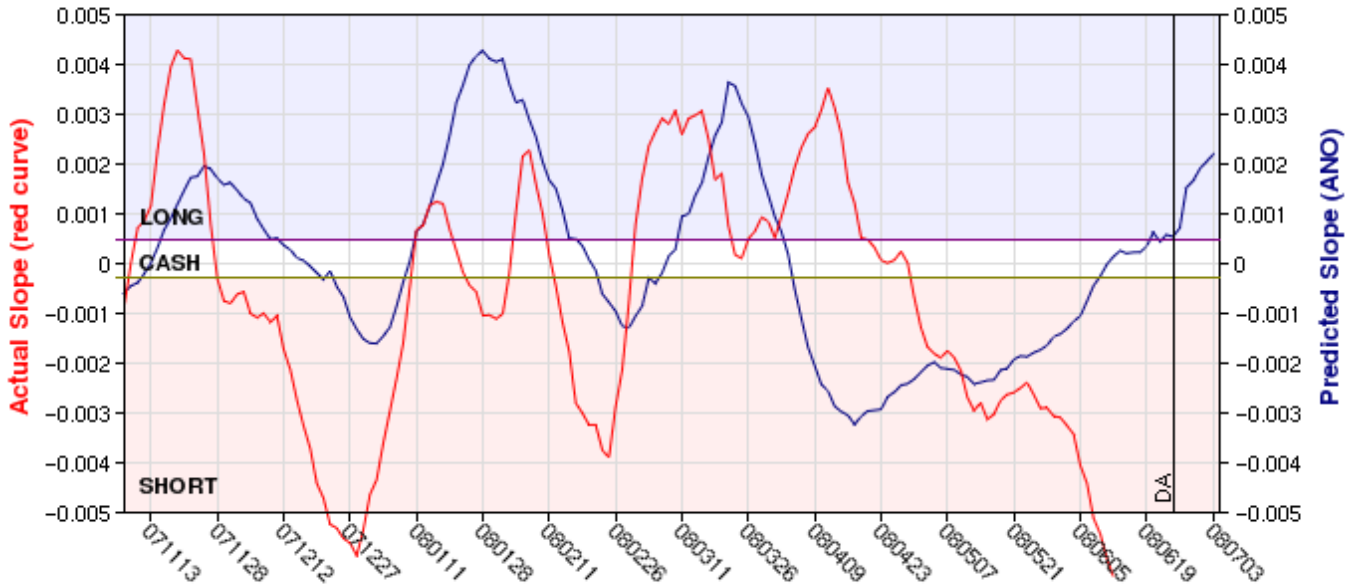
About the Forecast: We use an advanced neural network [forecast model](#) and an evolutionary training algorithm to compute 15-day forecasts of the DJIA. A new forecast is computed nightly and the web page is normally updated at 8:00 PM MDT. The analyses are based on closing daily market data. Results for the last 165 trading days are shown in the four charts below. The vertical grid lines are 10 trading days apart. The DJIA actual forward slope in the second chart is computed from a linear least-squares fit of the 15 DJIA values following each daily close. The slopes are normalized by dividing by the first DJIA value used the slope calculation. The predicted values of the slope (ANO) are based on a forecast horizon of 15 trading days. The last 15 values of the predicted slope are a forecast of future behavior of the DJIA. A positive slope would indicate a rising market going forward while a negative slope would indicate a falling market. The ANO values are used with our [trading model](#). All trades suggested by the trading model are done at the close of a trading session. 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 four charts below:

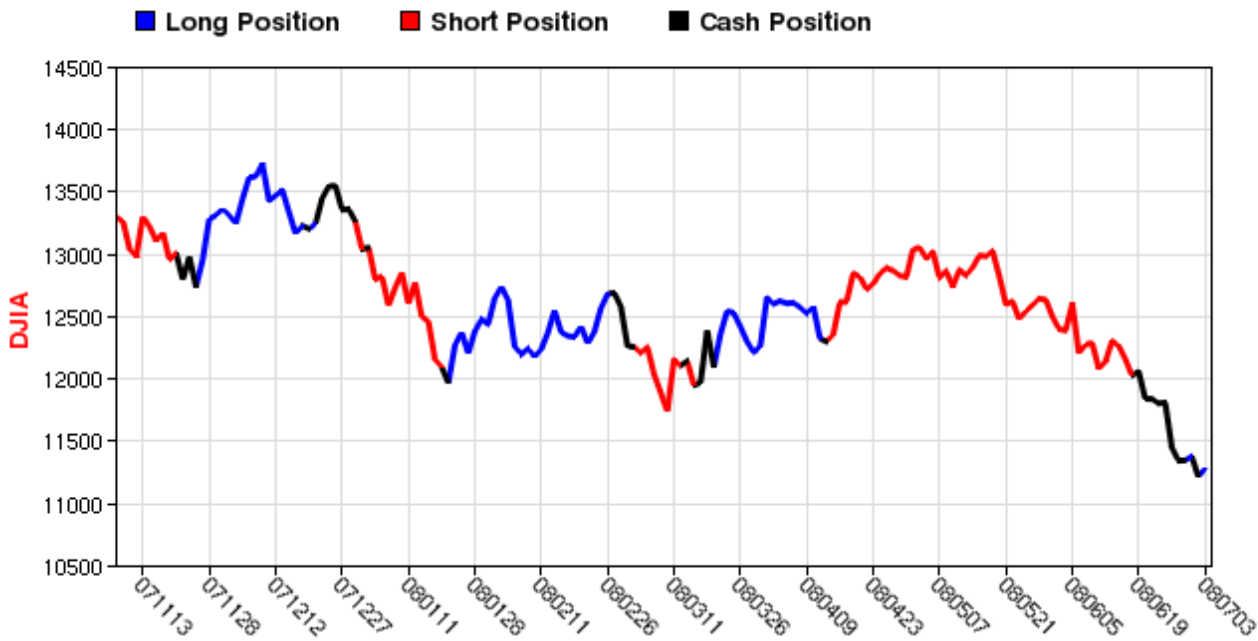
Closing DJIA Values



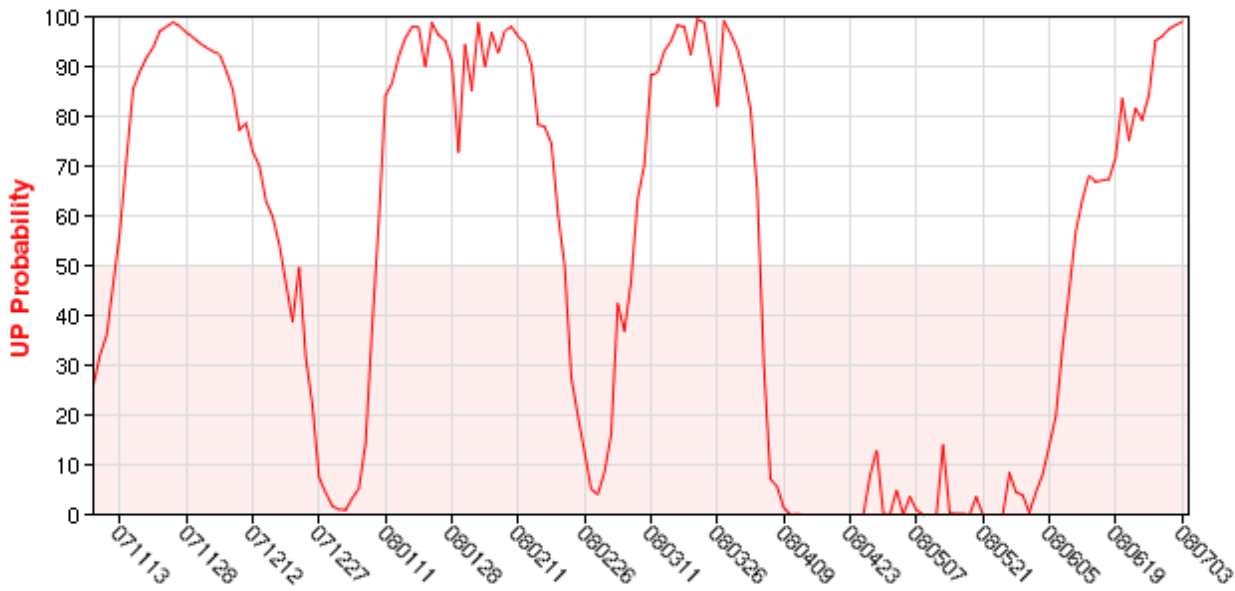
Actual Slope vs Predicted



Trading Model Results



Probability of an UP Market



Input to the trading model is the ANO value computed six days ago. The vertical line, labeled **DA**, in the second chart above is positioned on this date. The different color regions in this chart correspond to the three trading model positions.

The third chart above shows the trading positions as determined by the trading model. The UP probabilities given in the fourth chart reflect the forecast accuracy and are computed from variances in market data and in neural network weights. The UP probability is the probability that the forward slope will be positive.

Performance of the current forecast and trading models are shown in the table below. The last column in this table are results since these models were introduced on February 16, 2008. [Page Top](#)

Trading Model Performance		
Buy and hold return	-16.65 percent	-8.79 percent

Trading model return	37.55 percent	11.13 percent
Days long	59	24
Days cash	30	18
Days short	76	54
Total days	165	96

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	PRB	YLD	STD
080613	12307.35	0.000258	68.19	0.0480	0.1603
080616	12269.08	0.000208	66.83	0.0443	0.1610
080617	12160.30	0.000226	67.13	0.0454	0.1616
080618	12029.06	0.000231	67.37	0.0460	0.1612
080619	12063.09	0.000343	71.70	0.0582	0.1594
080620	11842.69	0.000623	83.56	0.1010	0.1668
080623	11842.36	0.000445	75.16	0.0691	0.1630
080624	11807.43	0.000577	81.58	0.0934	0.1676
080625	11811.83	0.000543	79.36	0.0856	0.1680
080626	11453.42	0.000720	84.20	0.1051	0.1675
080627	11346.51	0.001528	95.21	0.1627	0.1407
080630	11350.01	0.001665	96.04	0.1702	0.1410
080701	11382.26	0.001903	97.49	0.1958	0.1550
080702	11215.51	0.002051	98.30	0.2183	0.1640
080703	11288.54	0.002184	98.96	0.2550	0.1765

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),
 PRB is the probability in percent of seeing an UPWARD forward slope,
 YLD is the expected daily yield in percent of the DJIA,
 STD is the standard deviation of the expected yield.

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.

Site Links:

[Stock Market Safety Index](#)

[Privacy Policy](#)

[Learn about our forecast model](#)

[View your account information](#)

[Links to our favorite sites](#)

[MarketTrak Home Page](#)

[Learn about our trading model](#)

[Update your account information](#)

[Contact us](#)

[DJIA seasonal graph](#)

[Subscription renewal](#)

[Disclaimer](#)

Copyright © 1996-2008 MarketTrak LLC. All Rights Reserved.