

Building ETF Portfolios to Generate Alpha

Wednesday, March 29th, 2017



Marc Chaikin
Founder, Chaikin Analytics



Presented by



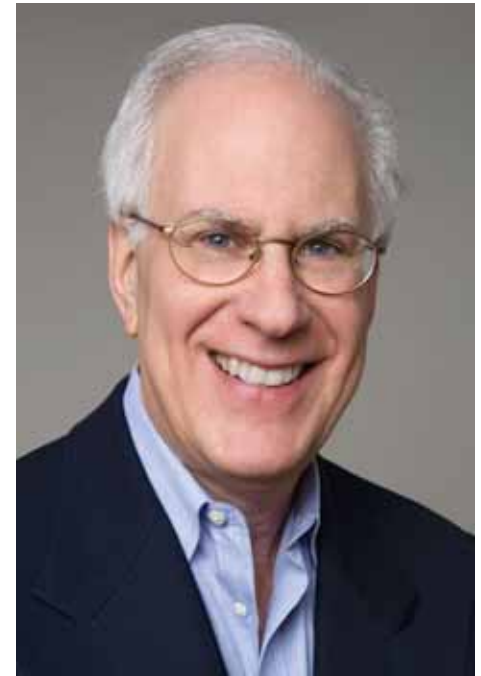
fa-mag.com



etfa-mag.com

Marc Chaikin

- 50 Years on Wall Street
- 45 Years Using Technical Analysis
- Headed Options Dept. at Tucker Anthony
- Mentored by Smartest Institutional Investors
- Created Chaikin Power Gauge Rating – Culmination of my Life's Work



USED BY PROS - QUOTED IN MEDIA...



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Do President Trump's Tweets Have Your Clients Spooked?



BA

Boeing Co | 175.78 -0.32 (-0.18%)

OPTIONS

EPS

Reports: Wed Apr 26
Q1 Est. \$2.00

Trends **STRONG**
Industry **STRONG**

1d 1yr 5yr [Icons] EPS Money Flow Buy/Money Flow Sell

Trump Tweets on Boeing



Advisors' Main Concerns

- ✓ Stock Market Volatility and Direction
- ✓ Asset Allocation
- ✓ Sector Strength or Weakness

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Volatility is *NOT* a Recent Phenomenon

Each year markets experience significant correction

Last 30 years, annual correction averaged 14%

Those who stay the course were rewarded

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Putting Pullbacks in Perspective

Declines in the S&P 500 (Since 12.31.1945)¹

Decline %	Number of Declines	Average Decline %	Average Length of Decline in Months	Average Time to Recover in Months
5-10	75	(6)	1	1
10-20	27	(13)	4	3
20-40	8	(27)	11	14
40+	3	(51)	22	57

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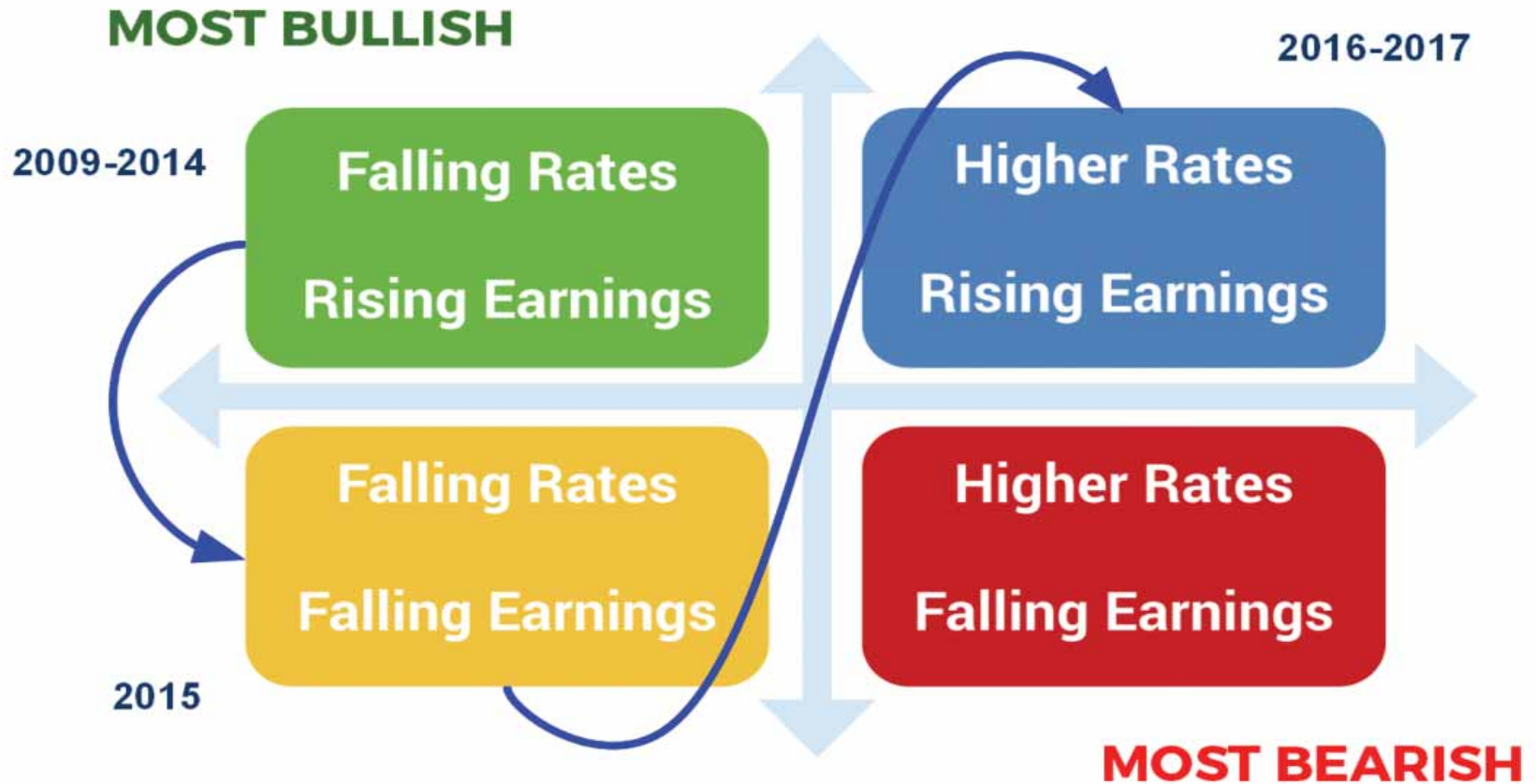
Advisor 2017 Focus

- ✓ Trend of Corporate Earnings
- ✓ Interest Rates
- ✓ Sector & Group Strength and Weakness
- ✓ Stock Selection

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Likely Scenario for 2017

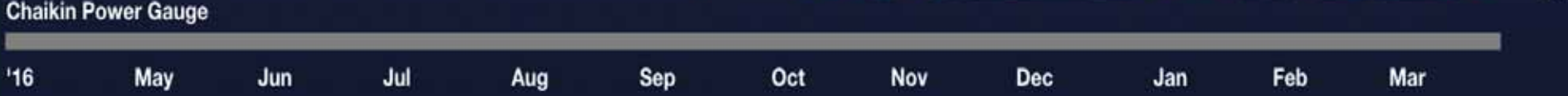


Source: BofA Merrill Lynch Global Investment Strategy

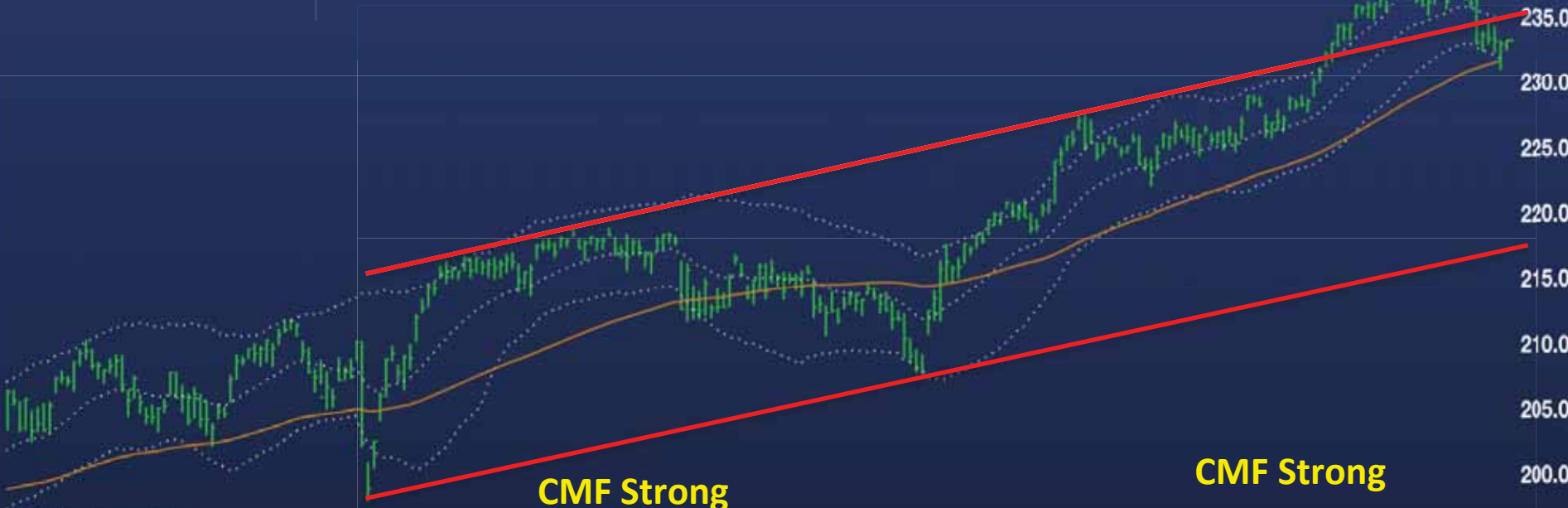
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1d 1yr 5yr EPS Money Flow Buy/Money Flow Sell

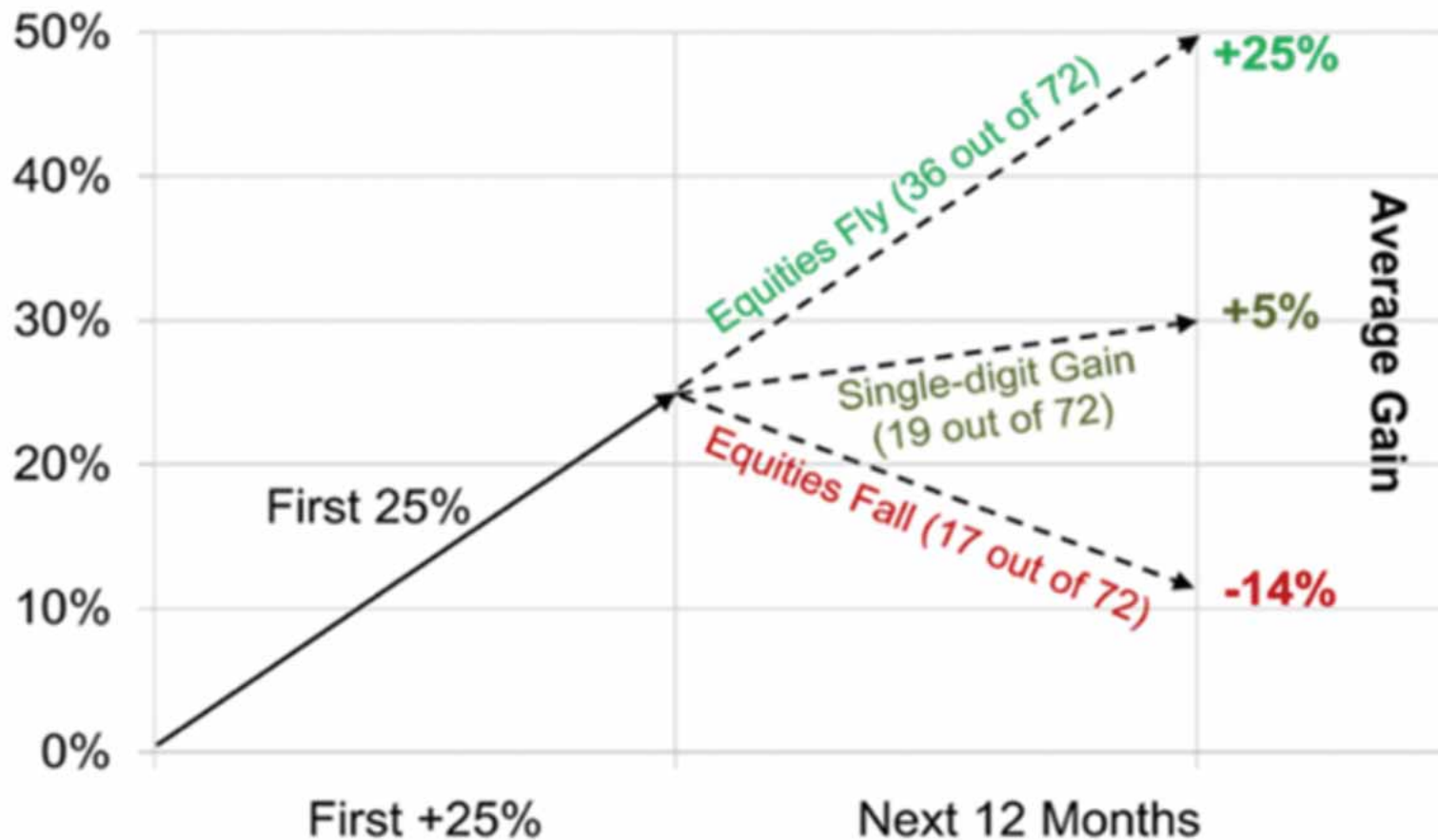


1d 1yr 5yr [Refresh] [EPS] [Up/Down]



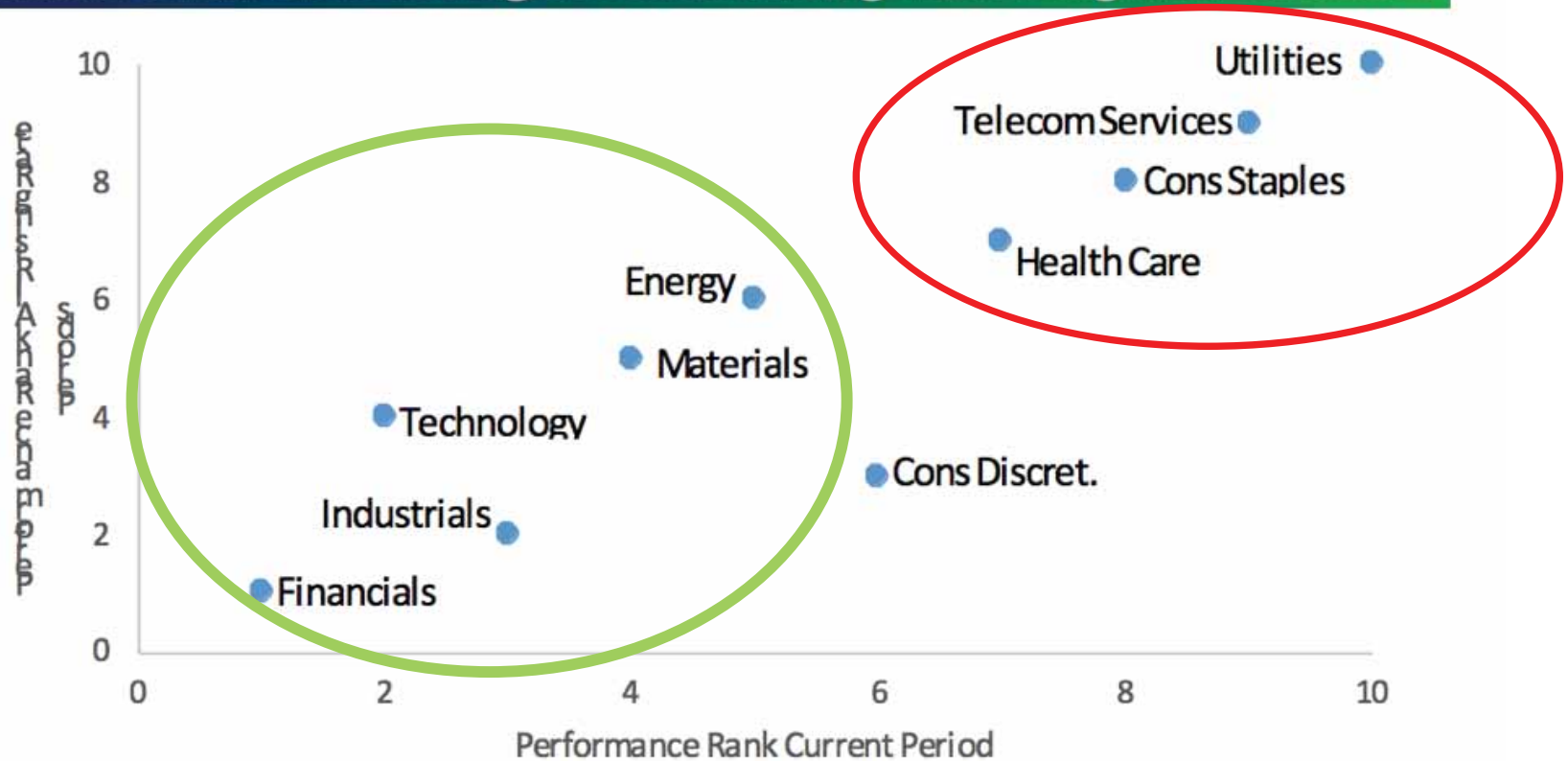
Stock Market Performance After 25% Rally

Figure 3. What Happens 12 Months After a 25% Rally?



Sector Performance When Interest rates are Rising

Sector Performance During Periods of Rising and Falling Interest Rates



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Sector Performance Last 6 Months

Sector Performance

Name	Week	Power Bar	Last	6 Mos ▼
<input checked="" type="checkbox"/> Financials	↓		23.54	21.57%
<input type="checkbox"/> Technology	↓		52.89	11.31%
<input type="checkbox"/> Industrials	↓		64.45	10.98%
<input type="checkbox"/> Materials	+		51.94	10.06%
<input checked="" type="checkbox"/> Utilities	—		51.66	9.30%
<input checked="" type="checkbox"/> S&P 500	—		233.94	8.82%
<input type="checkbox"/> Consumer Discretionary	+		86.74	8.56%
<input type="checkbox"/> Consumer Staples	—		54.65	4.25%
<input checked="" type="checkbox"/> Health Care	↑		74.36	3.59%
<input type="checkbox"/> Real Estate	—		31.08	-1.74%
<input type="checkbox"/> Energy	—		68.53	-2.29%

A FLOOD OF INFORMATION



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The Solution: Chaikin Analytics Saves Time Increases Productivity



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A Disciplined Methodology



**Chaikin Power Gauge
Sector Rankings**

Chaikin Buy/Sell Signals



Technical Indicators

Chaikin Money Flow & Chaikin Relative Strength

Chaikin Power Gauge - Reliable

Simple but Powerful



Your GPS During Earnings Season

Chaikin Power Gauge Rating

Clear summary of a stock's potential - with a record of success



Financials

- LT Debt to Equity Ratio
- Price to Book Value
- Return on Equity
- Price to Sales Ratio
- Free Cash Flow

Technicals

- Price Trend
- Price Trend Rate of Change
- Chaikin Money Flow
- Relative Strength vs. Market
- Volume Trend

Earnings

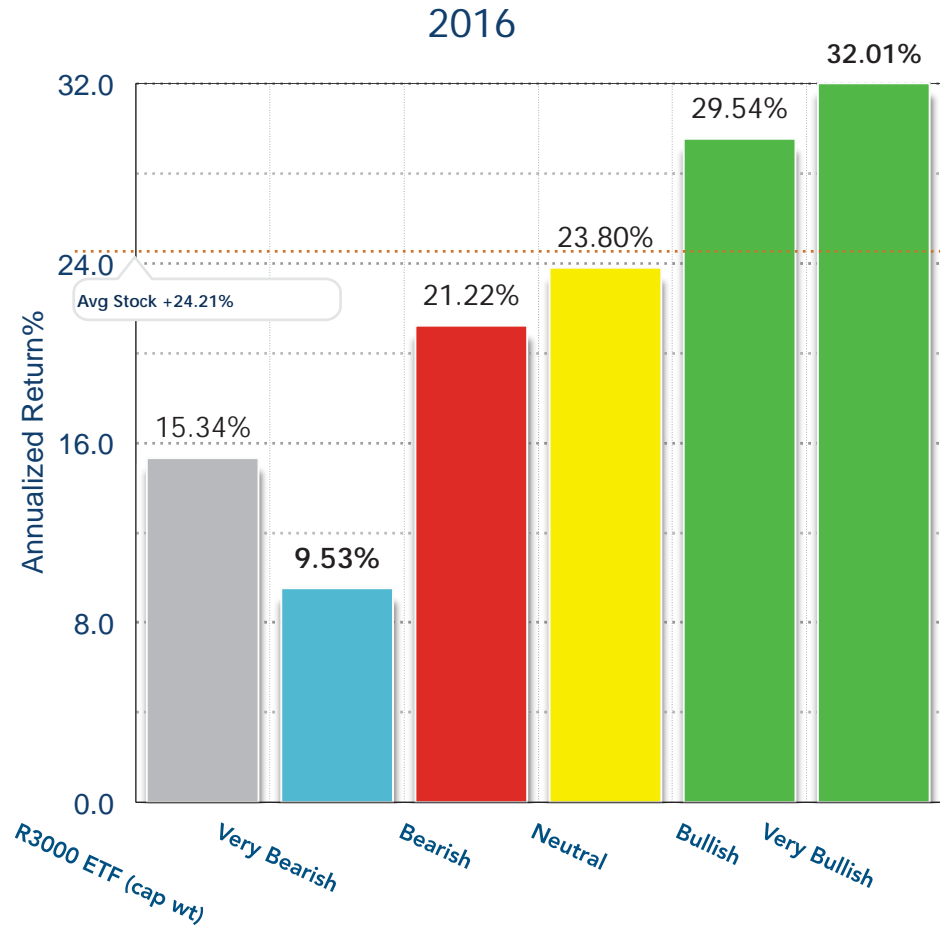
- Earnings Growth
- Earnings Surprise
- Earnings Trend
- Projected P/E Ratio
- Earnings Consistency

Experts

- Earnings Estimate Trend
- Short Interest
- Insider Activity
- Analyst Ratings
- Industry Relative Strength



Power Gauge Ratings: 2016



Partnering With Nasdaq and First Trust Portfolios



 First Trust

The First Trust logo consists of a square icon with a white outline and a blue-to-orange gradient fill. To the right of the icon, the words 'First Trust' are written in a white, sans-serif font on a dark blue background.

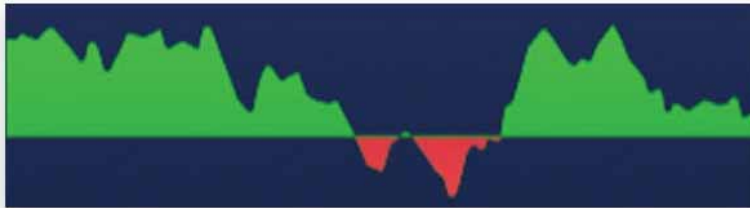
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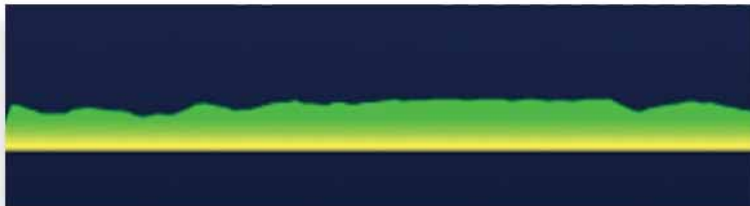
What to Buy: Chaikin Classic Bulls

- Power Gauge Rating Bullish
- Relative Performance Strong
- Chaikin Money Flow Strong

Chaikin Money Flow



Relative Strength



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AMAT

Appld Matls Inc

38.80 -0.06 (-0.15%)

OPTIONS

EPS

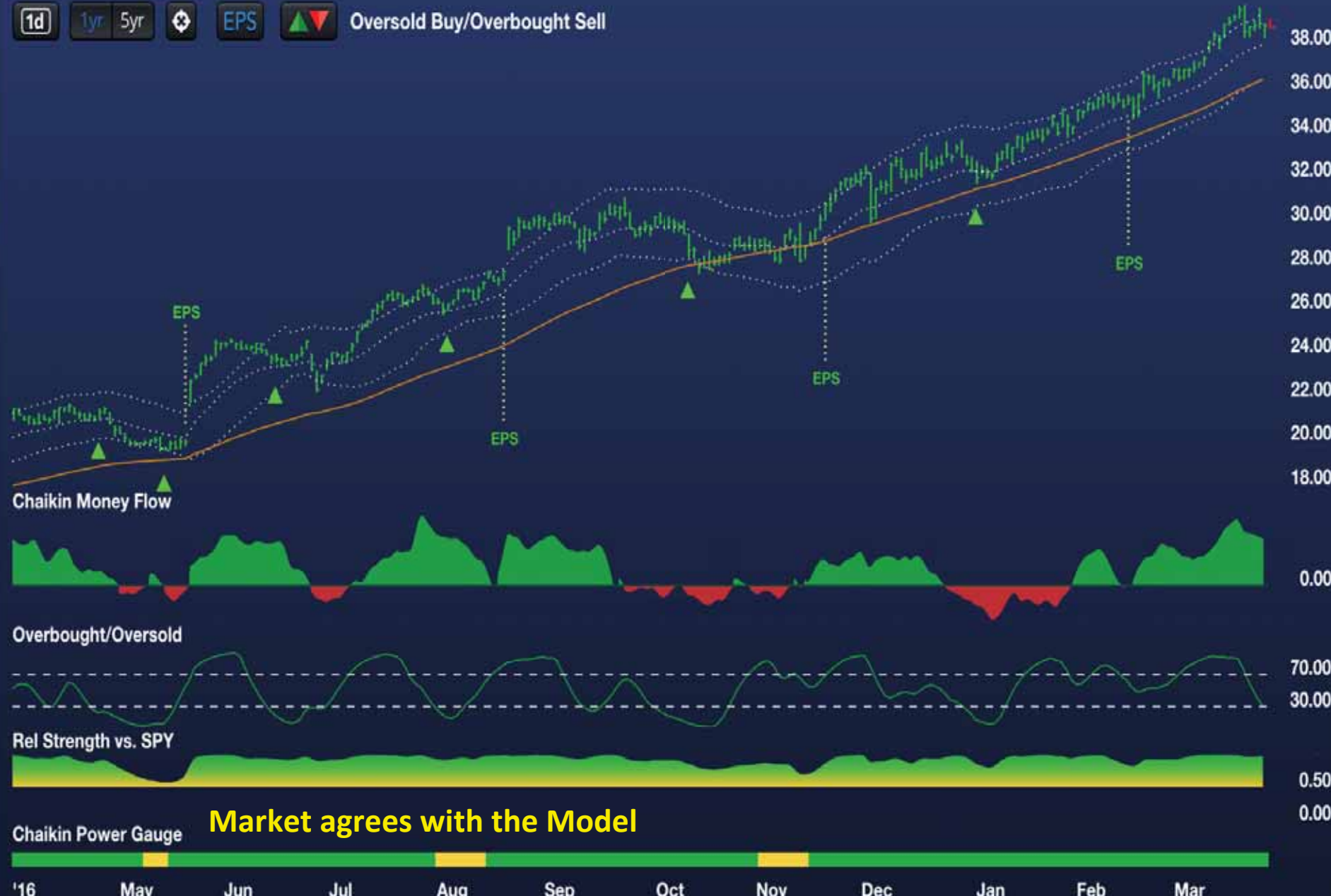
Reports: Thu May 18

Q2 Est. \$0.76

Trends STRONG

Industry STRONG

1d 1yr 5yr [Icons] EPS [Green/Red Triangle] Oversold Buy/Overbought Sell

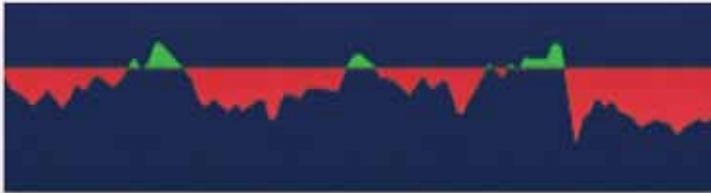


Market agrees with the Model

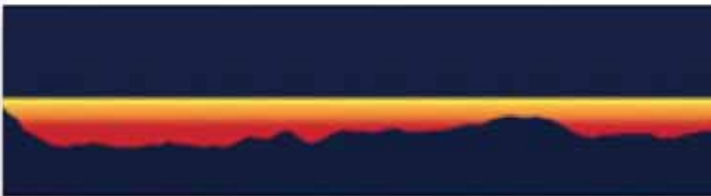
What to Sell: Chaikin Classic Bears

- Power Gauge Rating Bearish
- Relative Performance Weak
- Chaikin Money Flow Weak

Chaikin Money Flow



Relative Strength



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1d 1yr 5yr EPS Rel. Strength Buy/Rel. Strength Sell



Market agrees with the Model

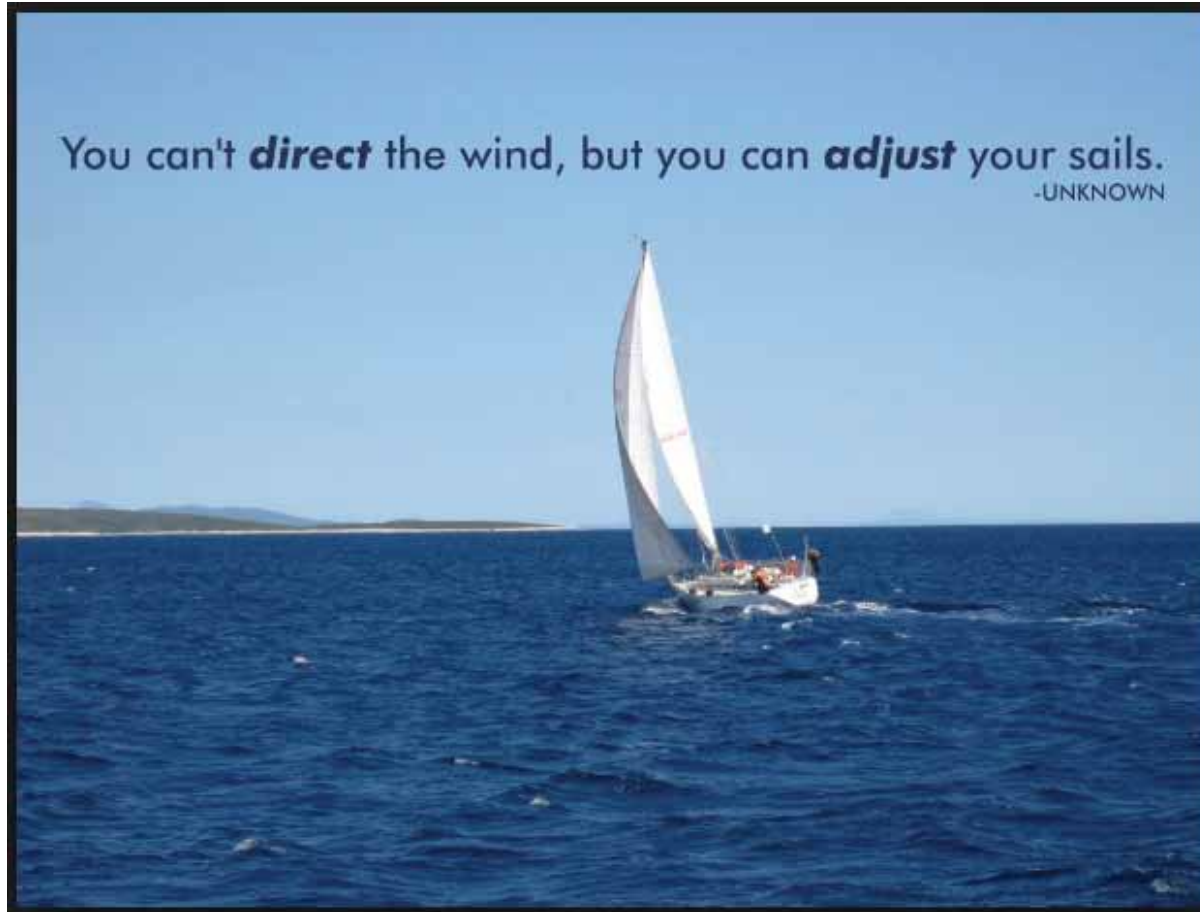
Using Sectors and ETFs to Allocate Client Assets

- ✓ Select SPDR Sector Power Bar Rankings
- ✓ Drill Down on Strong Sector
- ✓ Find Strong Stocks in Sector ETFs with Best Potential

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The Key To The Chaikin Methodology:
Putting the wind at your back.



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ETF Sector & Group Strength or Weakness



Strong Sectors & Groups = **Tailwinds**: Long Profits
Weak Sectors & Groups = **Headwinds**: Short Profits

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2017 Focus on Sectors

ETFs

SPDR Sectors

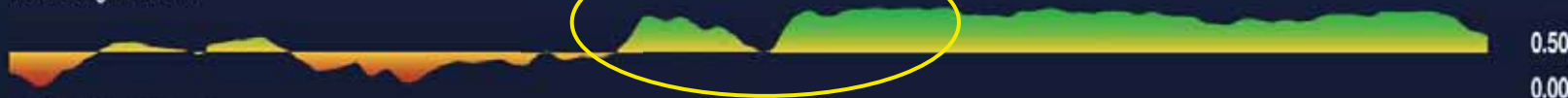
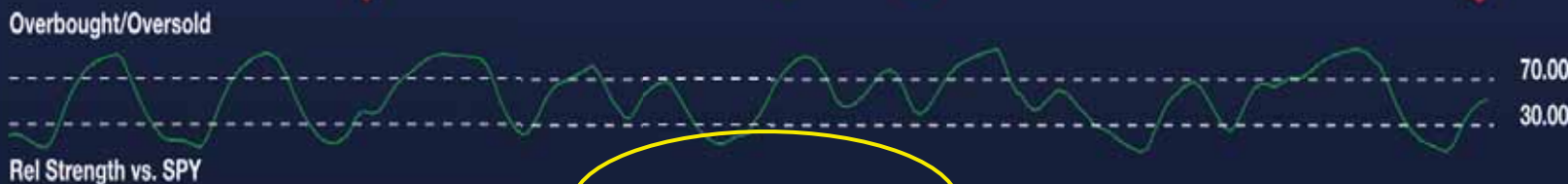
XLU - SPDR Utilities Select...	10	18	0
→ XLV - SPDR Health Care Sele...	17	41	2
→ XLF - SPDR Financial Select...	13	48	4
XLK - SPDR Technology Selec...	20	43	7
SPY - SPDR S&P 500 ETF	91	307	100
XLB - SPDR Materials Select...	5	13	7
XLY - SPDR Cons Discr Selec...	14	41	25
XLI - SPDR Industrial Selec...	8	44	15
XLRE - The Real Estate Sele...	2	13	16
XLP - SPDR Consumer Staples...	1	26	10
→ XLE - SPDR Energy Select Se...	1	20	14





Rating	Symbol	Signal
VERY BULLISH	AMP	126.58 (+1.04%)
VERY BULLISH	PGR	39.48 (+0%)
VERY BULLISH	TRV	120.92 (-0.07%)
BULLISH	ALL	81.21 (+0.15%)
BULLISH	AMG	161.43 (+1.53%)
BULLISH	BEN	41.40 (+0.75%)
BULLISH	CB	136.55 (-0.08%)
BULLISH	CBOE	79.02 (-0.2%)
BULLISH	ICE	59.33 (-0.12%)
BULLISH	LUK	25.87 (+0.98%)
BULLISH	PFG	62.41 (+0.48%)
BULLISH	TMK	76.58 (+0.31%)

1d 1yr 5yr EPS Oversold Buy/Overbought Sell



'16 May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar



JPM Jpmorgan Chase | 88.03 +0.79 (0.91%)
 Banks-Major

OPTIONS

EPS

Reports: Thu Apr 13
 Q1 Est. \$1.53!

Trends **WEAK**
 Industry **STRONG**

1d 1yr 5yr **EPS** Money Flow Buy/Money Flow Sell

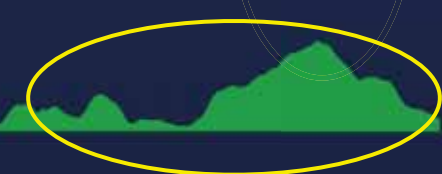


Market agrees with the Model



Rating Symbol Signal

VERY BULLISH	ANTM	162.42 (+0.14%)
VERY BULLISH	CI	146.07 (+0.02%)
VERY BULLISH	CNC	70.20 (-0.04%)
VERY BULLISH	HCA	88.51 (-2.19%)
BULLISH	A	53.19 (-0.09%)
BULLISH	ABBV	65.84 (-0.39%)
BULLISH	ABC	87.26 (-0.25%)
BULLISH	AMGN	164.36 (-0.33%)
BULLISH	BMY	56.11 (+0.12%)
BULLISH	CELG	124.32 (-0.43%)
BULLISH	DHR	85.83 (-0.24%)
BULLISH	HOLX	42.36 (-0.84%)





OPTIONS

EPS

1d

1yr

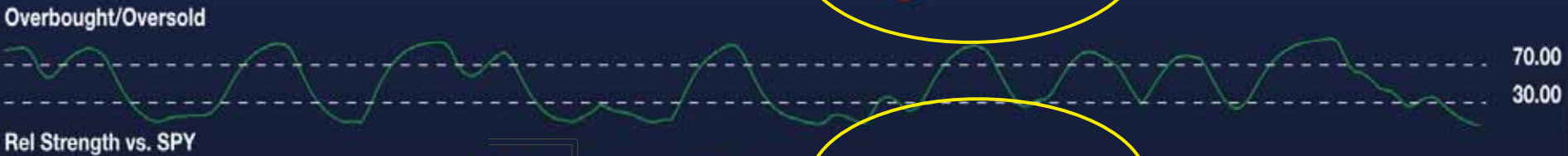
5yr



EPS



Oversold Buy/Overbought Sell



Finding Attractive Biotech ETFs

ETF	Green	Yellow	Red
▶ Energy			
▶ Financial			
▼ Health Care			
HCRF - iShares Edge MSCI Mu...	12	29	1
RYH - Guggenheim SP 500 Eql...	17	41	2
XLV - SPDR Health Care Sele...	17	41	2
VHT - Vanguard Health Care ETF	52	224	68
FHLC - Fidelity MSCI Health...	49	226	65
FBT - First Trust NYSE Arca...	6	15	9
BBH - Vanek Vectors Biotec...	4	14	7
PBE - PowerShares Dynamic B...	4	19	7
PTH - PowerShares DWA Healt...	5	30	9
SBIO - ALPS Medical Breakth...	9	52	17
BBC - BioShares Biotechnolo...	12	49	23
CNCR - Loncar Cancer Immuno...	5	16	10
BBP - BioShares Biotechnolo...	3	19	7
IBB - iShares Nasdaq Biotec...	16	95	46
XBI - SPDR SP Biotech ETF	7	56	28
BTEG - Principal Healthcare...	10	98	43



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IBB

iShares Nasdaq Bio...

291.56 -1.58 (-0.54%)

OPTIONS

EPS

No earnings data.

Trends **STRONG**
Industry NONE

ETF Health Care

1d

1yr

5yr



EPS



Rel. Strength Breakout/Rel. Strength Breakdown

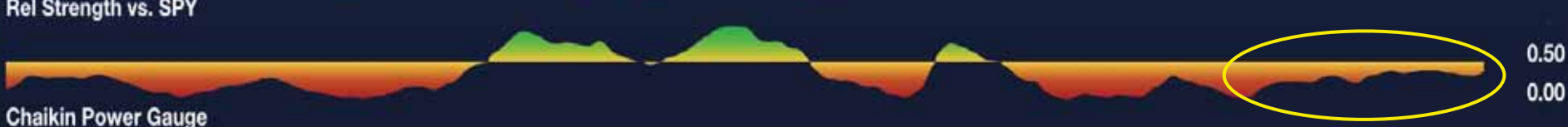
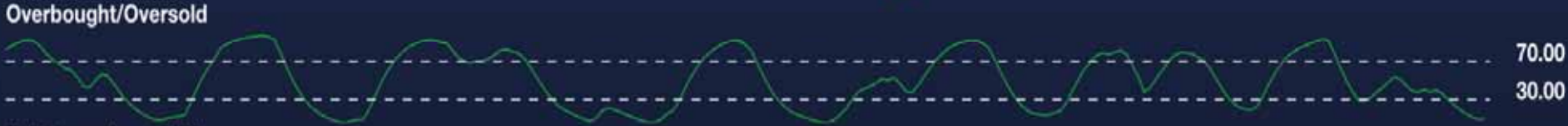
IBB 291.56 -1.58 (-0.54%)

Open: 294.36[!] High: 294.87
Vol: 214k Low: 290.81

! Gap up at open.



10:45am ET Tue Mar 28 2017 [Help](#)



'16 May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar

Finding Attractive Biotech ETFs

ETF Performance

Name	Week	Power Bar ▼	Last	6 Mos
<input checked="" type="checkbox"/> BBP - BioShares Biotechnology P...	—		37.91	15.75%
<input checked="" type="checkbox"/> XBI - SPDR SP Biotech ETF	—		69.18	6.23%
<input checked="" type="checkbox"/> FBT - First Trust NYSE Arca Biote...	—		104.11	5.98%
<input checked="" type="checkbox"/> BBC - BioShares Biotechnology C...	↑		23.28	4.68%
<input type="checkbox"/> BBH - Vaneck Vectors Biotech ETF	—		117.80	3.19%
<input type="checkbox"/> LABU - Direxion Daily S&P Biotec...	—		48.55	1.91%
<input type="checkbox"/> IBB - iShares Nasdaq Biotechnol...	—		291.66	1.69%
<input type="checkbox"/> PBE - PowerShares Dynamic Bio...	—		42.10	1.24%
<input type="checkbox"/> SBIO - ALPS Medical Breakthrou...	—		25.78	0.54%
<input type="checkbox"/> BIB - ProShares Ultra Nasdaq Bi...	—		48.32	0.48%
<input type="checkbox"/> CNCR - Loncar Cancer Immunot...	↓		23.71	-7.04%

BBP - BioShares Biotechnology Products Fund

Over the past 6 months, the BBP ETF has outperformed the S&P 500 by **+6.93%**. Its Power Bar ratio is **Weak**, with more Bearish than Bullish stocks. It is currently ranked #7 of 11 ETFs in this group.

Holdings:	Equities	Assets:	\$36.37m
Strategy:	Long	Avg Daily Vol:	15,390
Management:	Passive	Beta:	1.84
Expense Ratio:	0.86	Options:	No
Dividend Yield:	0.00%		

Sponsored by





Rating	Symbol	Signal
--------	--------	--------

BULLISH	AMGN	164.01 (-0.55%)
BULLISH	CELG	124.63 (-0.18%)
BULLISH	PDLI	2.12 (+3.42%)
NEUTRAL	BIIB	273.61 (-0.59%)
NEUTRAL	GILD	66.86 (-0.95%)
NEUTRAL	UTHR	140.60 (+0.07%) EST ↓
NEUTRAL	VNDA	14.25 (-1.04%)
NEUTRAL	ACOR	25.85 (-2.08%) ▲
NEUTRAL	HALO	14.04 (-1.61%)
NEUTRAL	MNTA	13.80 (-1.08%)
NEUTRAL	PGNX	10.67 (-1.57%)
NEUTRAL	REGN	377.76 (-1.54%)



Screen for Bullish Large & Mid Cap Drug Stocks

The screenshot displays the CHAIKIN Stock Screener interface. The main window shows a list of 6 results, sorted by Rating. The AMGN stock card is highlighted with a green circle. The left sidebar contains various filters and metrics.

Stock Universe: Select an Industry... 489
Drugs

Rating
Power Gauge Rating is Bullish 85

Factors

- Free Cash Flow ---
- Price to Sales ---
- Price to Book ---

Performance

- Price Return 1 mo ---
- Price Return 2 1 mo ---
- Return vs. SPY 1 mo ---

Technicals

- Price Level Oversold 31
- Money Flow ---
- Rel Strength ---
- Relative Volume ---

Fundamentals

- Market Cap Mid & Large Cap 6

Symbol	Company	Price	Change	Rating
ABBV	Abbvie Inc	65.97	(-0.2%)	BULLISH
AMGN	Amgen Inc	164.58	(-0.2%)	BULLISH
BBY	Bristol-Myers	56.25	(+0.37%)	BULLISH
CELG	Celgene Corp	124.82	(-0.03%)	BULLISH
JNJ	Johnson & Johns	125.11	(-0.55%)	BULLISH
MYL	Mylan Nv	41.98	(+0.65%)	BULLISH

Good Defense Leads to Good Offense



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Rating	Symbol	Signal
BEARISH	60.22	(+0.47%)
BEARISH	CVX	106.98 (+0.66%)
BEARISH	EOG	94.10 (+0.77%)
BEARISH	KMI	21.25 (+1.05%)
BEARISH	OKE	53.06 (-0.06%)
BEARISH	SLB	77.34 (+0.42%)
BEARISH	SWN	7.73 (+0.39%)
VERY BEARISH	APA	50.26 (+1.09%)
VERY BEARISH	BHI	57.93 (-0.24%)
VERY BEARISH	HES	46.26 (+1.03%)
VERY BEARISH	HP	64.19 (+0.06%)
VERY BEARISH	OXY	62.63 (-0.38%) EST ↑
VERY BEARISH	TSO	81.19 (-0.31%)



'16 May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar



SLB Schlumberger Lt | 77.40 +0.38 (0.49%)

OPTIONS

EPS

Reports: Fri Apr 21
Q1 Est. \$0.27!

Trends WEAK
Industry WEAK

1d 1yr 5yr Money Flow Buy/Money Flow Sell



Chaikin Money Flow



Overbought/Oversold



Rel Strength vs. SPY



Chaikin Power Gauge



Market Agrees with Model

'16 May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar



OPTIONS

EPS

Power Gauge Rating



Fundamentals

Mkt Cap.	\$53.90b
Revenue	\$7.65b
P/E	N/A
Yield	0.72%

1d 1yr 5yr EPS Rel. Strength Breakout/Rel. Strength Breakdown



Market Agrees with Model

Find Swap Ideas With Stock Discovery Engine

CHAIKIN Workspace Discovery Screener Sectors & ETFs

Q Symbol or name

Stock Ideas based on:

 **EOG**
Eog Res Inc

94.26
0.88 (+0.94%)



- Oil-Exploration & Production
- Large Cap
- Weak Financials
- Weak Money Flow

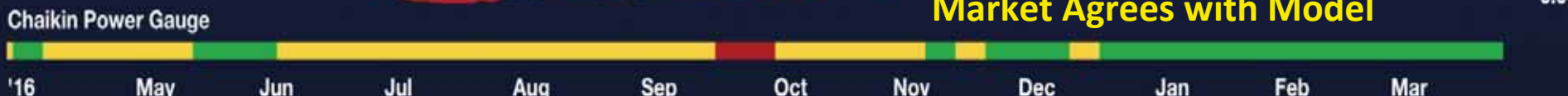
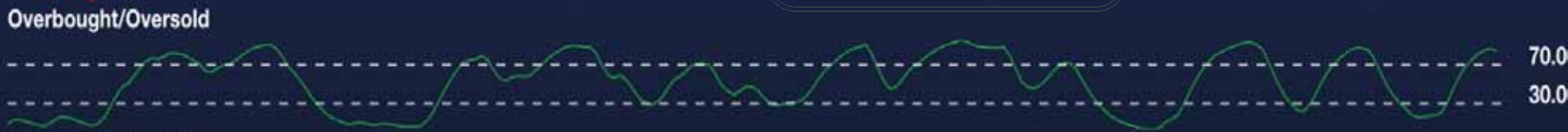
Stocks Like EOG

 APA 50.35 (+1.27%) Oil-Exploration & Production	 CPE 12.03 (+0.92%) Oil-Exploration & Production	 PDCE 61.17 (-0.20%) Oil-Exploration & Production	 LPI 13.62 (+2.87%) Oil-Exploration & Production	 MTDR 22.42 (+1.04%) Oil-Exploration & Production
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Potential Swaps

 WPZ 39.99 (-0.05%) Oil-Exploration & Production	 SNP 81.44 (+0.68%) Oil-Integrated	 TGS 13.96 (-0.71%) Oil & Gas Production-Pipeline	 CQH 24.06 (+0.42%) Oil & Gas Production-Pipeline	 YPF 23.53 (+0.00%) Oil-Integrated
--	--	--	---	--

1d 1yr 5yr EPS Money Flow Buy/Money Flow Sell




Market Agrees with Model

Find New Ideas With Stock Discovery Engine


CHAIKIN | Workspace | **Discovery** | Screener | Sectors & ETFs

Q Symbol or name

Stock Ideas based on:






 **DRI**
Darden Restrnt

80.65
5.07 (+6.71%)








- Food/Drug-Retail/Wholesale
- Mid Cap
- Bullish Earnings activity
- Above a Rising Trend
- High Dividend Yield

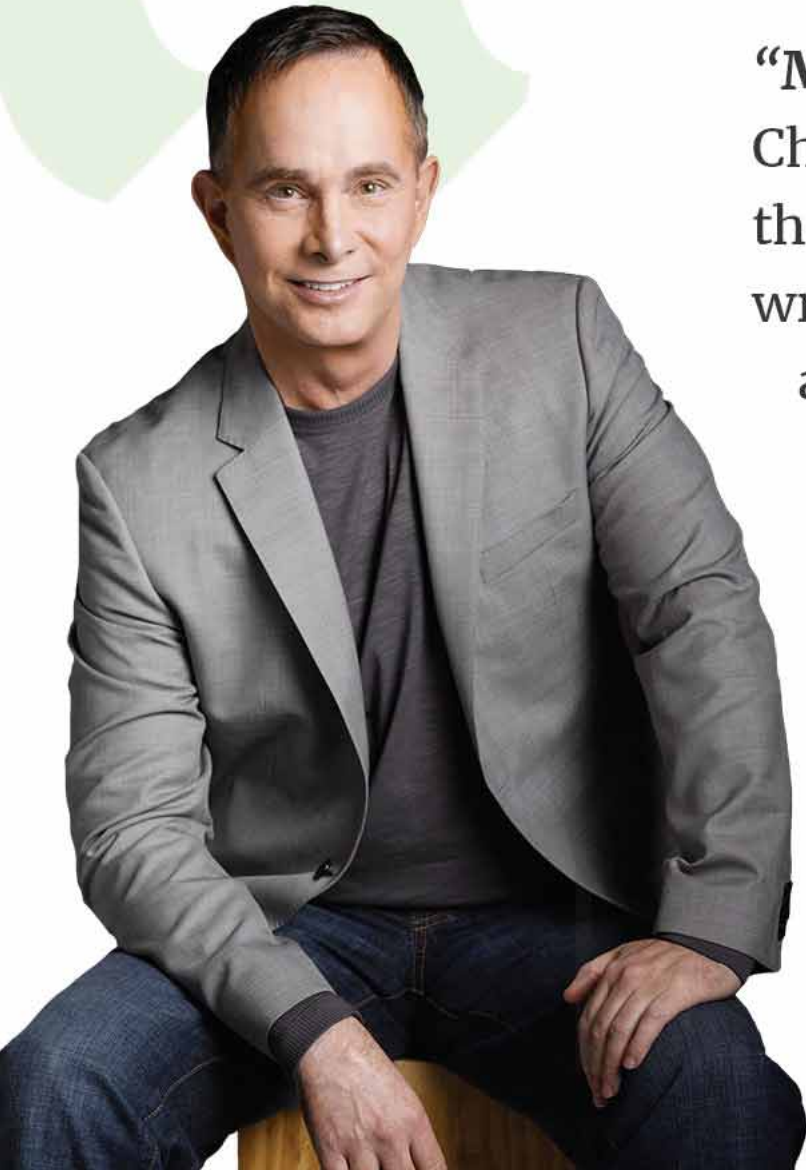
Stocks Like DRI

Stock	Price	Change	Signal	Sector
 FOGO	15.60	(+0.00%)	VERY BULLISH	Food/Drug-Retail/Wholesale
 RUTH	19.70	(-0.25%)	VERY BULLISH	Food/Drug-Retail/Wholesale
 ARCO	7.40	(-0.67%)	BULLISH	Food/Drug-Retail/Wholesale
 QSR	55.11	(+0.29%)	BULLISH	Food/Drug-Retail/Wholesale
 BJRI	39.00	(+1.30%)	BULLISH	Food/Drug-Retail/Wholesale

Similar Short Candidates

Stock	Price	Change	Signal	Sector
 SHAK	32.42	(+0.37%)	VERY BEARISH	Food/Drug-Retail/Wholesale
 DIN	51.55	(+0.53%)	BEARISH	Food/Drug-Retail/Wholesale
 YUM	64.05	(+0.85%)	BEARISH	Food/Drug-Retail/Wholesale
 WING	26.91	(+0.15%)	BEARISH	Food/Drug-Retail/Wholesale
 JACK	99.00	(+0.05%)	BEARISH	Food/Drug-Retail/Wholesale

I'm impressed by what Marc has done...



“My analysts are enthusiastic users of Chaikin Analytics and use it to analyze the trades and recommendations of our writing team, giving them feedback and insight into their own ideas.

Marc’s system has been integrated into our routine due-diligence process for vetting and evaluating potential investments.”

John Mauldin

Financial Expert & Chairman of Mauldin Economics

Chaikin Analytics ~~\$1950~~

Webinar Special Only \$1,650

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Expires Saturday, April 1st

Or contact: sales@chaikinanalytics.com | 1-877-697-6783

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