

Hello everyone, and welcome to Wednesday Morning..

It's Stephen Whiteside here.

from TheUptrend.com, and in this presentation we're going to do.

a tutorial on trading at the Horizons BetaPro ETFs..

Before we get started, today is a Fed day, of course, and we're expecting the Fed.

announcement at 02:00 P.m., and then the excitement meant to start after that..

As you can see, the Dow Diamonds have traded up and got stuck at resistance..

They hit resistance on Friday and Monday and Tuesday..

We're still stuck there as volatility has contracted going into the Fed meeting..

Of course, after the Fed meeting comes out, we're expecting volatility to expand.

dramatically, of course, taking a position just ahead of the Fed meeting..

It's a three part bet..

You're betting on what they say, what they do, and of course, how the market reacts..

And really, at the end of the day,.

the only thing we care about is how the market reacts..

Now, in the pre market this morning, things are very quiet out there..

Stock index futures are trading right around fair value..

So it doesn't look like a lot of investors.

are sticking their neck out this morning ahead of the Fed meeting..

Now let's get back to our 2X ETFs..

They're designed to give twice the daily return..

So remember that's daily, not weekly, not monthly, not yearly, the daily return..

And so here's an example from yesterday..

The TSX energy index was up 1.29%. If you double that, that is 2.58%. And then if we.

go to the corresponding Horizons BetaPro ETF, it actually ended up to up 2.54%..

So just off by a little..

And that's typically what happens..

The market investors can bid up and bid down the Horizons BetaPro ETFs..

So they don't necessarily have to end up.

being exactly two times the move of the underlying index..

And again, remember, these are daily returns..

They're not weekly, not monthly..

So these are not investment products..

These are trading products..

So don't ever think of these as investing products..

They are just trading products..

Over the long term, they will not do very well because of the volatility..

But we are here to capture the volatility..

Now, there's five ETFs that I have as a bundle or a portfolio..

There are other ETFs..

You can do criticism, you can do gold, you can do silver, you can do natural gas..

There's other ones out there..

These are the five core ones that I trade..

Now, each one of them has its own characteristics..

Typically the energy related ETFs are going to be the most volatile..

Then you've got out of the three major.

index ETFs, the Nasdaq with the technology stocks, the biotech stocks is typically.

more volatile than the S&P 500 and the TSX 60..

The TSX 60 is typically the least volatile..

It's only got 60 stocks and typically has the least volatility out of all of these..

So they all have their own characteristics and over time, you'll get used to them..

Now, the strategy here is to be market.

neutral, which means we're either going to be long the bull ETF when the market is.

rising, or long the bear ETF when the market is falling..

Right now, the energy sector has been moving up, so we are long the bull..

And of course, at some point we're going.

to be along the bear, but it isn't going to be today..

So we've got some room between where we.

closed yesterday and the upper channel line on the bear ETF..

And we've got lots of room between where.

we closed yesterday and the lower channel line on the bull ETF..

Now, the full name of the Horizon Beta Pro product for the TSX 60 looks like this..

We just shortened it down to the TSX 2X bull..

And right now we are along this bull..

You can see on the Panic Zone chart that we're coming up to the top of the range..

We have not had an early warning signal.

yet, but we have had a bearish reversal signal which came yesterday..

And so we've been along this particular ETF for a couple of weeks now..

The buy signal came with the first close above the upper channel line..

You came in the next morning and you.

bought it at the open just below the 16.50 level..

Then you looked up and we had a price target of 17.19 and then 17.97. So you've.

had several opportunities to sell partial positions and lock in some profits..

We took a run yesterday towards 18.75, didn't make it..

We traded up at that level back in September..

That's where we peaked up at the 18.75 level and then quickly reversed..

So it is doable to head up to 18.75, but we may not do it..

We'll have to wait and see how the market.

reacts to the Fed announcement this afternoon..

But you should have an order in up there at 18.75 to sell a partial position..

Then looking at the 2X bull for the S&P.

500, we do have an early warning signal up there..

We've had a couple of bearish reversal days..

The pros are still in control..

On Wednesday, we need a closed blow, 12.41 to give us a sell signal..

You can see the buy signal back here..

The next morning we traded back.

in the channel, so you got to buy it at a discount..

And now, looking up from where we started, 12.50 might have been too close for you..

So you've got an order filled up there at 13.28. Now we're trying to get to 14.06..

Then looking at the Nasdaq..

The Nasdaq hasn't really done anything..

It was very oversold, but really hasn't picked up the pace..

We don't have an early warning signal there..

If you look, you can see the pros have.

given up control on the Nasdaq ETF, and that's probably not a good sign..

We haven't seen a lot of downward selling pressure just yet,.

but the pros aren't that interested in the Nasdaq at the moment..

On Wednesday, close below 8.57 would give us a sell signal for this particular ETF..

If we can break out above 9.38, then 10.16 is our next profit target.

and you should have an ordering up there to sell a partial position..

Of course, the Nasdaq looking so weak,.

we could switch between the bull and the bear on Tuesday and a close above.

9.21 on the Bear ETF would give us a new buy signal..

Now, it's important to remember that we.

don't always get buy signals and sell signals on the same day..

So you could actually get kicked out.

of the Bull ETF and not have a buy signal for the Bear ETF on the same day..

So just be ready if that happens to sit.

on your hands and wait and see if the market continues in the same direction..

Now, looking at the 2X bull.

for the TSX Energy Index, and remember, this is the energy sector..

These are stocks we're watching, not the commodities themselves..

There's an early warning signal up there, but we've played through it..

We made a new high yesterday, so there was a buy signal back there.

and the market gapped up, filled the open gap and then moved on..

So the next morning you came in..

you bought at the open and we've been moving up ever since..

You've had the chance to take money off the table at \$50 and at 56..

25 now, you still should have a partial position left..

Trying to get rid of that at 62. 50..

Now, looking at the Gold Miners 2X ETF, you can see this sector has not been.

performing well for the past six months or so..

You can see that it was in a big bear market..

And of course, if.

something's in a bear market, we're making money because we're along the Bear ETF..

But here we are, we've been trading sideways for a few months now..

We're currently long the bull ETF..

Things would change on Wednesday with a closed blow 10.60. We're trying.

to get to 12.50 and we're having a really hard time doing that..

So there's a good chance that we may see a sell signal for the bull and we'd need.

a close above 8.86 to give us a buy signal for the Bear ETF on Wednesday..

And that, of course, is for the Gold Miners ETF..

OK, folks, that's all for this morning's presentation..

I hope you found that useful..

If you have any questions at all, please drop me an email..

Have a great day..

Next time you'll hear my voice is on Thursday morning..