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The RITE REPORT

The following RITE Report generates indices from the monthly compilation of business, economic, & political news snippets from the Wall Street Journal, IBD, U.S. Government, et al.

RITE Report

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CUSTOM RESEARCH:

Please note that custom economic and/or macro investment research and wealth advisory services are available on request.

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PART 1 - STOCKS

- 1) Macro-Economic Snippets

A) Negative Economic and General Business Data Snippets

02/01

-BLS: Productivity declined 0.1 percent in the nonfarm business sector in the fourth quarter of 2017; unit labor costs increased 2.0 percent (seasonally adjusted annual rates).

02/05

-IBD: Even before a deal to boost spending on defense and domestic programs, Treasury said it expects to issue nearly \$1 trillion in debt this year, nearly double last year's total. The backup in Treasury yields is hardly surprising amid a combination of rising deficits and a Federal Reserve that's gradually shrinking its balance sheet, reversing government bond purchases made to aid recovery from the financial crisis.

02/14

-U.S CENSUS: U.S. retail and food services sales for January were \$492.0 billion, a decrease of 0.3 percent (+/-0.5%)* from the previous month.

-BLS: Real average hourly earnings decreased 0.2 percent in January, seasonally adjusted. Average hourly earnings increased 0.3 percent, and CPI-U increased 0.5 percent. Real average weekly earnings decreased 0.8 percent over the month.

02/26

-U.S CENSUS: New Residential Sales - Sales of new single-family houses in January 2018 were at a seasonally adjusted annual rate of 593,000. This is 7.8 percent (+/- 19.0%)* below the revised December 2017 estimate of 643,000.

02/27

-U.S CENSUS: New orders for manufactured durable goods in January decreased \$9.2 billion or 3.7 percent to \$239.7 billion.

03/06

-U.S CENSUS: Manufacturers' Shipments, Inventories, and Orders - New orders for manufactured goods in January decreased \$6.9 billion or 1.4 percent to \$491.7 billion.

03/07

-BLS: Productivity was unchanged (0.0 percent) in the nonfarm business sector in the fourth quarter of 2017; unit labor costs increased 2.5 percent (seasonally adjusted annual rates).

Total of Negative General Business and Economic News Snippets: 8

B) Positive Economic and General Business News Snippets

02/01

-BLS: Construction Spending - Total construction activity for December 2017 (\$1,253.3 billion) was 0.7 percent (+/-1.0 percent)* above the revised November 2017 (\$1,245.1 billion).

-IBD: In manufacturing, productivity increased 5.7 percent and unit labor costs decreased 3.7 percent.

-ISM: PMI[®] at 59.1% - New Orders, Production, and Employment Continue Growing - Supplier Deliveries Slowing at Faster Rate; Backlog Growing Raw Materials Inventories Growing, Customers' Inventories Too Low Prices Increasing at Faster Rate

02/02

-U.S CENSUS: Manufacturers' Shipments, Inventories, and Orders - New orders for manufactured goods in December increased \$8.5 billion or 1.7 percent to \$498.2 billion.

-BLS: Total nonfarm payroll employment increased by 200,000 in January, and the unemployment rate was unchanged at 4.1 percent. Employment continued to trend up in construction, food services and drinking places, health care, and manufacturing.

02/06

-The IBD/TIPP Economic Optimism Index climbed 1.6 points to 56.7 in February, riding a wave of tax-cut-fueled pay hikes, bonuses and stock-market gains to a 13-year high.

02/10

-U.S CENSUS: December 2017 sales of merchant wholesalers were \$500.2 billion, up 1.2 percent (+/- 0.7 percent) from last month. End-of-month inventories were \$612.1 billion, up 0.4 percent (+/- 0.4 percent)* from last month.

02/14

-U.S CENSUS: U.S. total business end-of-month inventories for December 2017 were \$1,902.2 billion, up 0.4 percent (+/- 0.1 percent) from last month. U.S. total business sales were \$1,431.3 billion, up 0.6 percent (+/- 0.3 percent) from last month.

02/16

-U.S CENSUS: New Residential Construction - Privately-owned housing starts in January 2018 were at a seasonally adjusted annual rate of 1,326,000. This is 9.7 percent (+/- 16.8%)* above the revised December 2017 estimate of 1,209,000.

-U.S CENSUS: Quarterly Services Survey, Advance Report: The estimate of U.S. selected services total revenue for the fourth quarter of 2017, not adjusted for seasonal variation or price changes, was \$3,792.8 billion, an increase of 2.4 percent (+/- 0.4 percent) from the third quarter of 2017 and up 5.2 percent (+/- 3.6 percent) from the fourth quarter of 2016. The second quarter of 2017 to third quarter of 2017 percentage change was revised from the preliminary estimate of 1.1 percent (+/- 0.2 percent) to 1.0 percent (+/- 0.2 percent).

02/23

-CBP: 2017 turned out to be a remarkably good year for world trade with 4.5% year-on-year growth. The CPB World Trade Monitor shows that the volume of world trade increased 0.3% in December, having increased 2.7% in November (initial estimate: 2.4%) and increased 1.1% in 2017Q4 (1.4% in 2017Q3).

03/01

-BEA: Personal income increased \$64.7 billion (0.4 percent) in January according to estimates released today by the Bureau of Economic Analysis. Disposable personal income (DPI) increased \$134.8 billion Construction Spending - (0.9 percent) and personal consumption expenditures (PCE) increased \$31.2 billion (0.2 percent).

-U.S CENSUS: Total construction activity for January 2018 (\$1,262.8 billion) was nearly the same as (+/-1.0 percent)* the revised December 2017 (\$1,262.7 billion).

03/06

-CPB: The Dutch economy is gathering steam. With growth figures of 3.2% (this year) and 2.7% (in 2019), the Dutch economy will outperform the eurozone by on average 0.6 percentage point, per year. Unemployment is rapidly decreasing to its lowest level since 2001.

03/07

-BLS: In manufacturing, productivity increased 6.0 percent and unit labor costs decreased 3.3 percent.

Total of Positive General Business and Economic News Snippets: 15

Table of Positive v. Negative General Economic & Business News

Month	% Neg	% Pos
2016		
Jan	40%	60%
Feb	41%	59%

March	47%	53%
April	49%	51%
May	42%	58%
June	38%	62%
July	54%	46%
Aug	31%	69%
Sept	38%	62%
Oct	32%	68%
Nov	14%	86%
Dec.	32%	68%
2017		
Jan	34%	66%
Feb	04%	96%
Mar	19%	81%
April	30%	70%
May	22%	78%
June	44%	56%
July	40%	60%
August	17%	83%
Sept	29%	71%
Oct	16%	84%
Nov	32%	68%
Dec	23%	77%
Jan	23%	77%
Feb	35%	65%

3) Economic Analysis/Indicator Summary

Indicator	TREND/COMMENT
(DAILY) - HIGH YIELD BONDS (HYG)	
Up (02/11 - 84.95; 03/07 - 85.63)	Positive
(DAILY) - iSHARES SELECT DIVIDEND (DVY)	
Up (02/09 - 94.25; 03/07 - 96.67)	Positive
03/01 - PURCHASING MANAGERS INDEX	
Mfg still Expanding: 60.8	Positive

02/01 - CONSTRUCTION SPENDING (Census Bureau) Construction spending during January 2018 was estimated at a seasonally adjusted annual rate of \$1,262.8 billion, nearly the same as (± 1.0 percent) the revised December estimate of \$1,262.7 billion. Neutral

03/06 - MANUFACTURERS' SHIPMENTS, INVENTORIES, & ORDERS (Census Bureau): New orders for manufactured goods in January decreased \$6.9 billion or 1.4 percent to \$491.7 billion. Negative

02/15 - (BLS) UNEMPLOYMENT Overall: Positive

- Unemployment Rate (BLS): Same at 4.1%: (Neutral)
- Civilian Labor Force Participation Rate (BLS): Same 62.7% (Neutral)
- Employment-Population Ratio (BLS): Same 60.1% (Neutral)
- 02/05 Employment Trends Index (Conference Board TM) Increased (Positive)

02/01 - (BLS) PRODUCTIVITY	Overall	Positive
Nonfarm Business Sector		
-Productivity unchanged;		Neutral
-Output + 3.2%		Positive
Manufacturing		
-Productivity increased + 6.0%		Positive
-Output: +6.6%		Positive

12/05 - QUARTERLY FINANCIAL REPORT - MFG, MINING, WHOLESALE TRADE, & SELECTED SERVICE INDUSTRIES (Census Bureau) - Manufacturing corporations' seasonally adjusted after-tax profits were \$147.4 billion for the third quarter of 2017, up \$3.7 (± 0.3) billion from second quarter of 2017. Positive

01/12 - RETAIL SALES (U.S. Census) -0.3% from previous month: Negative

02/14 - MANUFACTURING AND TRADE INVENTORIES AND SALES (Census Bureau): U.S. total business sales were \$1,431.3 billion, up 0.6 percent (± 0.3 percent) from last month + 0.4%: Positive

12/15 - INDUSTRIAL PRODUCTION INDEX (INDPRO) - Negative
Downtick: 107.2433 Negative

(Year over Year)103.4572 - 107.2433 Positive

02/14 - NEW RESIDENTIAL CONSTRUCTION (U.S. Census): Positive
(month over month) + 9.7%

02/22 - CONFERENCE BOARD
LEADING ECONOMIC INDICATORS TM Increased: Positive

01/25 - CONFERENCE BOARD
COINCIDENT ECONOMIC INDICATORS TM Increased: Positive

02/23 - NEW RESIDENTIAL SALES (U.S. Census Bureau) Sales of new
single-family houses in January 2018 were at a seasonally adjusted annual rate of
593,000. This is 7.8 percent (+/- 19.0%) below the revised December 2017
estimate of 643,000 Negative
(Overall in uptrend)

02/27 - Advance Report on Durable Goods Manufacturers' Shipments, Inventories,
and Orders (U.S. Census Bureau) New orders for manufactured durable goods in
December increased \$7.0 billion or 2.9 percent to \$249.4 billion. - 3.7% Negative

02/21 - EXISTING HOME SALES (NAR) - 3.2%: Negative

01/28 - REAL GDP (BEA) Down from 3.2% + 2.5%: Positive

03/01 - PERSONAL CONSUMPTION EXPENDITURES (Dept of Commerce -
BEA) + 0.4%: Positive

03/01 - PERSONAL INCOME (Dept of Commerce - BEA) + 0.4%: Positive

02/27 - CONSUMER CONFIDENCE INDEX
(Conference BoardTM) Increased: Positive

02/28 - RESTAURANT PERFORMANCE INDEX: 100.9 - Expanding: Positive

12/21 - Corporate Profits BEA Increased: Positive
Profits from current production (corporate profits with inventory valuation)

adjustment and capital consumption adjustment) increased \$90.2 billion in the third quarter, compared with an increase of \$14.4 billion in the second quarter.

SUMMARY

Positive 16
Negative 6
Neutral 1

4) RITE Investment Strategy Index

Scale:

0 = Neutral;

+10 = High Opportunity Environment;

-10 = Extreme Negative Risk Miasma

EFFORT, RISK, FREEDOM,
KNOWLEDGE/INFO

COMMENTS

- | | | |
|--|-----|---|
| 1) Domestic Political Risk | + 8 | Excellent: A tax reduction package passed |
| 2) Tax Risk | + 8 | Corporate Taxes cut |
| 3) Individual Incentive (Freedom) | + 8 | Regulations are decreasing |
| 4) Production of Knowledge | + 8 | Economy positive as corporate taxes were cut |
| 5) Technical Analysis
of the U.S. Stock Markets | + 9 | Market: Long Term Bull |
| 6) General Business
& Economic Snippets | + 6 | Positive Snippets 65% |
| 7) Economic Indicators | + 6 | slight decrease from 18/5/0 to
16 Pos; 6 Neg; 1 Neu to |

Sum of Total + 53

Average of Total + 7.6

RITE Strategy Index: Slight drop fm 89.2 to 87.8%

History of Strategy Index (Started 2009) *Statistics noted below are approximate.*

Month/Yr	Index %	DJIA	Gold	Oil	WSJ Dollar Index
2016					
Feb 29	56.1%	16,516.50	1,244.7	33.74	89.88
Mar 31	55.6%	17,685.09	1,233.1	37.79	86.58
April 30	53.3%	17,773.64	1,294.9	45.99	84.98
May 31	57.2%	17,787.20	1,220.4	48.82	87.50
July 1	57.8%	17,929.99	1,344.9	49.28	86.58
July 29	55.5%	18,432.24	1,357.9	41.38	86.50
Sept 02	58.9%	18,491.96	1,328.8	44.20	86.84
Sept. 30	57.9%	18,308.15	1,318.8	48.05	86.37
Nov 2	60.7%	17,959.64	1,305.7	45.81	87.70
Dec 1	77.1%	19,191.93	1,176.3	50.64	91.50
2017					
Jan 2	77.1%	19,762.60	1,152.0	53.89	92.94
Feb 9	87.8%	20,172.40	1,232.9	53.03	90.94
Mar 1	90.0%	21,142.85	1,243.0	53.93	91.41
April 4	88.5%	20,689.24	1,257.2	51.32	90.29
May 3	85.7%	20,579.90	1,248.5	47.82	89.89
June 7	85.0%	21,173.69	1,293.2	45.92	88.10
June 30	82.1%	21,349.63	1,241.2	46.29	87.74
Aug 4	83.5%	22,092.81	1,264.3	49.52	86.32
Sept 1	83.5%	21,987.56	1,338.6	47.39	85.60
Oct 6	83.5%	22,773.67	1,278.9	49.25	86.95
Nov 6	86.4%	23,548.42	1,279.7	57.22	87.72
Dc11MdDy	85.0%	24,358.26	1,248.2	57.94	87.18
2018					
Jan 4	89.2%	25,075.13	1,324.2	61.94	85.62
Feb 9	89.2%	24,190.90	1,322.5	59.72	84.09
March 7	87.9%	24,801.36	1,326.3	61.35	83.49

5) Summary

EQUITY MARKET CONCLUSION:

Stocks: Stay Long

The RITE Index is very high. Higher steel tariffs will not be a hindering factor because there are too many other positive points & factors.

PART 2: HEDGING

1) HEDGING/INFLATION SNIPPETS

DEFLATION SNIPPETS 0/0%

None this month

INFLATION SNIPPETS 1/100%

02/14

BLS: In January, the Consumer Price Index for All Urban Consumers increased 0.5 percent seasonally adjusted; rising 2.1 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy rose 0.3 percent in January (SA); up 1.8 percent over the year (NSA).

INFLATION TABLE

(RITE Report Issue Date is the first of the month; Statistical Data is the latest closing price which is noted in the WSJ on the close of the last day of the month, but the RITE Report does not represent that these data are accurate.)

Month	Inflationdata.com Annual Inflation Rate	CRB
2016		
Sept 02	0.84%	179.99
Sept 30	1.06%	186.32
Nov 02	1.46%	184.29
Dec 01	1.64%	191.41
Dec 31	1.69%	192.512
2017		
Feb 09	2.07%	192.756

Mar 01	2.50%	190.81
April 04	2.74%	185.59
May	2.38%	176.96
June	2.20%	176.30
June 30	1.87%	174.776
July 31	1.63%	180.68
September 4	1.73%	180.95
October 6	1.94%	180.95
Nov 6	2.23%	192.57
Nov 15	2.04%	Dec 11 Midday
2018		
Jan 04	2.20%	195.37
Feb 09	2.11%	188.51
Mar 07	2.07%	194.44

2) HEDGING SUMMARY

Inflation remains subdued.

Gold: No call

Oil: No call.

The U.S. Dollar: Stay Long (Economy to still go up)

For your reference we include a directory of:

The RITE Report Major Trade Advice Summary

Date	Approx. Mrkt Level	Market	Advice
2009			
2009/05/01	8,212	Stocks	Go long.
2009/05/01	895	Gold	Go long.
2009/05/01		USD	Go short
2009/06/01	51.12	Oil	Go long
2010			
2010/02/01		USD	Stop going short; Take profits. get out.

2011

2011/04/01	12,376	Stocks	Market to go sideways; end of bull.
2011/05/01	12,763	Stocks	Take profits 55.4% Gain
2011/06/01	102.7	Oil	Go Neutral 100.9% Gain
2011/06/01	12,441	Stocks	Take profits (re-confirmation)
2011/07/01		USD	Go short
2011/08/01		USD	Cover the short; no direction
2011/08/01	12,240	Stocks	Trading Range

2012

2012/03/01	107	Oil	Go long
2012/05/01	104	Oil	Go neutral 2.8% Loss
2012/06/01	12,772	Stocks	Take profits; a downtrend started
2012/06/01	1,564	Gold	Sell: Take profits 74.7% Gain
2012/07/01	1,604	Gold	Buy: Go long
2012/08/01	13,090	Stocks	Advised not to be in the Stock Market at all
2012/09/01	80.025	USD	Go short
2012/11/01	13,096	Stocks	Confirmation: Not to be in Stock Market

2013

2013/01/02	13,104.30	Stocks	Go Long
2013/03/01	82.47	USD Index	Take loss; go neutral
2013/05/31	15,115.57	Stocks	Take profits 15.3% Profit
2013/08/01	15,499.54	Stocks	Go Long
2013/12/01	92.78	Oil	Go Short

2014

2014/01/02	98.70	Oil	Take off short: Go Neutral 6.38% Loss
2014/02/28	16,321.71	Stocks	Take profit; go to cash 5.0% Increase
2014/03/01	16,532.61	Stocks	Go long (Unrealized gain potential)
2014/10/31	1,173.5	Gold	Sell (1,604 to 1,173.5 loss of 430.5) 36.8% loss
2015/01/30	1,283.0	Gold	Go long
2016/04/04	35.32	Oil	Go long
2016/07/01	49.05	Oil	Take Profit - 38% Gain
2016/12/02	1,176.3	Gold	Sell - Loss 8.3%
2016/12/02.	91.50	WSJ Dollar Index	Go Long

PRESENTLY

2018/03/07

Stocks (DJIA)	24,801.36	Stay Long (Unrealized gain potential)
Gold	1,326.3	No call

US Dollar	83.48	Stay Long (Unrealized loss potential)
Oil	61.35	No Call

CUSTOM RESEARCH:

Please note that custom economic and/or macro investment research and advisory services are available on request.

Caveats

- 1) Past performance is not indicative of future results.
- 2) Trading stocks, futures, and options involves substantial risk of loss and is not suitable for all investors.

RITE Report

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(The RITE Report's name was derived from the acronym of the four variables inherent in all economic transactions; Risk, Information/Knowledge, Time, and Effort. Of course, this would be for a service, and if the product were a material good, there would be an additional factor of Material - or Land as the economist would say. See The Philosophical Equations of Economics at www.philosophypublishing.com for further info on this subject.)

FOR YOUR REFERENCE

- 1) Chris Angle is the author of:

The Nature of Aesthetics - 978-0-9661126-4-1

Defining Ethics Good & Evil - 978-0-9661126-5-8

Truth and the Nature of Decisions - 978-0-9661126-6-5

The Philosophical Equations of Economics - 978-0-9661126-3-4

These books may be viewed at: www.philosophypublishing.com

- 2) Chris Angle is the host of The Philosophical Angle, a TV and Podcast Program, which discusses concepts in current media.

<http://www.youtube.com/user/philosophypublishing>

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