Take That Profit And Triple It!

How One Simple Change Can Earn You 3 Times More Money

By
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INTRODUCTION

In early 2014 I was contacted by a gentleman who had spent the previous five years trying to learn how to trade the stock market. Unfortunately, over the previous two years his $100,000 trading account had dwindled to a dismal $305

Discouraged? Enormously, but he knew there had to be a legitimate financial answer out there somewhere, but he also knew it wasn't coming from books, brokers, or a bunch of hot stock tips cluttering in his inbox. But where?

A friend of his stumbled across my work a year earlier (I have done very little marketing over the years), found it uniquely interesting, and gave it a try. He was soon astonished by a whole new way of thinking about investing it created, and had been hammering out consistently large profits using the investing technique I call, "Trading in the fourth dimension'.

The fourth dimension, as you probably know, is time. He learned that as you come to understand the missing component of "when" to invest, the what to invest in, and the how to trade became the easiest part of his trading.

His friend showed him the techniques he was using, the spectacular returns he was getting, and helped our nearly beat investor get started for himself. It wasn't long before he too began earning bigger returns than anything he had ever imagined.

One year after using the 5th Dimension technique I'm going to explain in more detail, our friend from Texas had re-built his remaining $305 into an incredible $175 thousand dollar profit!
GETTING STARTED

Most people associate earning high rates of return on their money with either risky investments, or as opportunities reserved for the wealthiest of investors – the Warren Buffet’s of this world. But fortunately for anyone serious about building a wealthy lifestyle and a secure retirement, your good fortune is that in recent years, innovative minds have, been able to turn the odds of stock market investing success in your favor.

Unfortunately, most investors don’t recognize the astounding financial gift that’s been dropped right in front of their eyes, and few are learning about it or taking advantage of it.

That’s going to change for you because of this eBook!

You are about to discover some of the most exceptional stock market investing opportunities that can help even beginners with small accounts, to build wealth faster and more easily than at any other time in the stock market’s history.

What you are about to learn can be implemented in or out of a retirement account in a way that can dramatically reduce risk, and won’t require the time commitment of a full time trader or getting stuck in front of a computer chart watching.

A LITTLE BACKGROUND

Let’s start at the place where most investors have been putting their money for the past 60 years. Either through their 401K’s or other retirement accounts, most investors are employing the service of Mutual Funds.

As you may know, mutual and hedge fund managers benchmark their quarterly and annual returns by comparing them to the broader stock market index – namely the S&P 500. Each fund’s goal (there are more than 18,000 funds) is to hopefully show better returns than markets in general, even if that means simply beating the S&P by a point or two. Doing so can mean billions of investor dollars directed their way, bringing in hundreds of millions of dollars of management fees with it.

Obviously, their motivation to succeed is high and the reason funds pour enormous amounts of money and time into research looking for ways to better their returns. Unfortunately, as you have likely discovered, few funds will ever outpace the markets with any consistency.

What I hope may pleasantly surprise you however, is that with a simple tweak of your understanding and by using an impressively simplified approach, nearly any retail investor can dramatically outperform the markets on their own, without trudging through years of investor learning, or having a sizeable account to get started.
**WHAT AND WHEN YOU BUY**

You've no doubt been introduced to Exchange Traded Funds by now. Created in the mid-nineties, they are stocks designed to follow the movement of markets the way index funds do, through the buying and selling of the stocks which make up a particular index.

There are some important differences between an ETF and a mutual or hedge fund however. First, because an ETF trades like regular stock, you can buy and sell them anytime of the trading day, use margin, set stop losses, and watch their trading action tick by tick if you like. Second, there are no rules about how often you can trade them, no annual fees, and no waiting a day or more to get your order filled.

An ETF is essentially a stock that tracks and trades through a single share, all the stocks in the underlying index it follows.

Perhaps you have heard some caution regarding how ETF’s are good for short term trading, but are not suitable to be held long term, or that their end of day adjustments can diminish results. I always smile when I hear that, because as you’ll quickly see most of that talk is simply advisor chatter meant to dissuade investors from using ETF’s because after all, for the past decade, ETF’s have been cutting into fund profits in a significant way. So instead of listening to the noise of other’s self-interest, we’ll stick to facts in our discussion here which can be backed up with proven results – covering decades of time.

**NO EXPERTISE REQUIRED**

When it comes to your money, it’s critical to take an honest look at how much you are earning using current investment strategies versus what could reasonably be made with other approaches. And while one of the best ways to measure that is by simply comparing the returns of one investment strategy against another, it is also critical to consider how much expertise is going to be required by each strategy to achieve those returns.

Options for example, are powerfully leveraged instruments that can produce exceptionally high returns, but in reality, the amount of knowledge and trading expertise required to trade them profitably over the long term, is usually overlooked and far too often above the trading expertise of investors who dabble in them.

So instead of increasing the need for added training, or increasing risks to achieve the tripling of our profits, we’ll focus on methods that are simple, easy to learn, quick to implement, and dollar wise efficient.

With that in mind, it’s time for you to learn how to really triple (or better) your returns and start paving the way to a great life and enviable retirement!
YOU CHOOSE

Let’s begin learning how to Triple Your Returns by starting with this one simple question: On the following graph, which of the three ETF’s representing six year returns for the S&P 500, would you have preferred to see in your portfolio?

The lowest line on the graph is the performance of the single beta ETF – the SPY, which tracks the S&P 500 index at a 1:1 ratio. If the S&P moves up 1% the SPY will also rally by 1% (it’s not perfect, but always very close). Contrarily, if the S&P is down 1%, the SPY should also fall by 1%.

Since the start of the bull market in March of 2009, the SPY climbed from $60 to a fantastic $209 over the next six and a half years, a gain of nearly 225% over that time. The important thing to remember is that SPY represents all 500 stocks of the S&P 500 index, and traded all by itself, the SPY is a single stock that acts like a fully DIVERSIFIED S&P fund!

Now let’s look at a how we could improve that return.

The next line on the chart (red) is a double beta ETF – the SSO. It also tracks the S&P 500, but leverages its return 2:1. - hence the reason it is referred to as “double beta”. At the start of the bull market the SSO was priced at $7 (adjusted for splits), and proceeded to climb to $68 by June of 2015. That’s a gain of nearly 725% – or triple the SPY!

Guess what just happened? Even though the SSO is only a DOUBLE beta stock, by using it you TRIPLED YOUR RETURNS on the S&P!

Did you have to use options to get those results? No. Did you use a margin account? No. Did your brain explode from learning all kinds of new strategies? No again!

All you did was the same thing a regular mutual fund investor would have done during the same time: buy the fund (the ETF stock in this case) and just sit on it for six and half years!

But without sounding trite, I’m going to show how it gets even better!
On the same chart, now let’s look at the incredible gains of the highest line (green) on the chart. That chart line represents the triple beta ETF – the SPXL, which tracks the S&P 500 too, but with a daily ratio of 3:1! In other words, when the S&P was up 1%, the SPXL was up 3%!

And note what happened over time for those who continued holding on to that ETF. For the same six and a half years of time, you would have earned a spectacular rate of return of nearly 1700%! That’s right, $10,000 would have become $170,000! Crazy what a small change in what we buy can do, isn’t it?

And notice, you didn’t have to understand anything more than to be an owner of the ETF while markets were going up, and a seller of them when markets top out. And while you’re sitting there smiling at that last comment and thinking, “Ah yes, just two little things I can never get right”, let me tell you this: I’m going to teach you know the “when” of buying and selling with unbeatable precision so you’ll never get beat by the markets again.

REALITY CHECK

I stated earlier that we were going to stick to the realities of making money, so here is a key issue we should address right away.

The dramatically higher returning SPXL and SSO are called LEVERAGED Exchange Traded Funds. In other words, they operate on the basis that if you invest $1, it will trade with the effect of having $2 invested (almost like you were using margin – BUT YOU ARE NOT – nor do you have any liability for anything beyond your $1 invested).

But leverage as you know, can almost always become a double edged sword. Leverage in this case will apply in BOTH DIRECTIONS. A triple beta ETF will move up three times as fast as the underlying index it follows, but it will also fall three times as fast on days when the underlying index corrects.

That may scare some investors away from using leveraged ETF’s, but take note of something very interesting about the chart: When the SPY dropped, though the SPXL dropped three times as much, the following rallies caused it to STILL DRAMATICALLY OUTPERFORM the S&P over time.

After each correction on the SPX, when markets turned back up and the S&P recovered, the SPXL and SSO did so as well, but with the explosive strength of 2-3 times more gains.

That’s the beauty of a trading leveraged ETF’s in bull market, corrections are usually short lived and the recoveries are dramatic. That’s why simply buying and HOLDING the SPXL during the six year bull trend turned an initial $5000 investment into an astonishing $97,000 windfall, or 18 times your money!
So to answer any underlying concern, “Should leveraged ETF’s be held long term?” The answer is a resounding YES, with one important qualifier – we only hold them during a bull trend!

In a bear trend, leveraged ETF’s fall faster than the markets they track, and by holding on, we risk not only giving back the incredible gains we earned in the bull market, but can eventually even surpass the losses of the index itself:

That is the single reason why we don’t hold on to anything (even single beta ETF’s) during bear market declines.

But as I promised, there’s an easy fix to make sure you never end up hanging on when it’s time to get out!

**KNOW WHEN TO GET OUT**

There are some very simple and effective ways to never, EVER, get caught or stay on the wrong side of the market again. If staying too long has happened to you before, you’re in good company. Poorer for the experience certainly, but when a bear markets begins, most investors will freeze with fear and unfortunately do nothing.

That happens partly because they don’t recognize a bear market beginning, and also because they’ve been taught over and over, “Markets always correct, just hang on and don’t worry, it always recovers”.

In one respect, what they were told is partly true, historically market have always recovered, eventually. It just boils down to how long you want to wait to get your money back. After six years from the bear market lows in 2009, it wasn’t until nearly five years latter that they were back to even.
Consider however how much better off you would have been if you had simply moved to cash ahead of the 2007-2008 bear market that once again, pulled everything down with it.

For example: if you had $100K in the market at the start of the 2008 bear market, it was worth less than half that amount by the time the bear market low was reached. It then took another 5 years to get back your original $100K.

On the other hand, had you moved to cash at the start of the crash instead, you would have kept your $100K in cash until March 2009, and then by investing in the SPXL, your $100K would have exploded into $1,700,000 by June 2015!

**EVEN DIPS MATTER**

On a smaller basis, the same thing happens even in bull markets. Bull markets never move straight up, and at those times when indices correct 5-20%, leveraged investments will fall further. You can see the difference between a leveraged and unleveraged position in a three year chart of the SPX vs. the SPXL (ETF):

But don’t worry, in this report I’m going to show you how to avoid getting hit by sudden, shorter lived drops too. And while other investors are lamenting drawdowns against their bull market paper profits at those times, you’ll relish in the fact that you are sitting on a pile of cash (the real paper), just waiting for the next bottom to be put all of it back to work.
WHY NOT SKIP THE DIPS

Imagine what would happen to your investing account if you could AVOID holding on to positions that always lose ground during the many regular, and sometimes significant corrections in the market.

In other words, what would your profits look like if you were able to hold a double or triple beta ETF only while it was rising, and be back in cash before it declined?

In the chart above, I’ve indicated some of the bigger drawdown periods on the SPX over a four year period in the current bull market. While we could also highlight some of the other smaller drops as well, let’s assume we could find a way to avoid just those?

By avoiding those drops, our next chart ought to really grab your attention.

Here’s what happens when we eliminate drawdowns by moving to cash just ahead of those larger index declines. (Again, for the sake of simplicity, we’re only considering those steeper “intermediate” period declines which occur once or twice per year during a bull market):
In this chart, we moved to cash seven times in six years (circles). Each time we exited, we were able to avoid corrections that would have diminished returns. What becomes amazing though, is how much those drawdowns affect your return, especially when you carry those results several years into the future.

Think about it, a $20K account that faces a 20% drawdown ($4000), must see gains on the remaining $16K of 25% just to recover the $4000 previously lost! A 50% drawdown requires a 100% gain to get back to even.

By avoiding those (or at least minimizing them) even smaller gains can compound your growth with incredible results.

That’s why it is critical for our goal to TRIPLE our returns, that part of the equation also address minimizing drawdowns to the point they have little impact on the growth of our accounts.
**TIME IS THE KEY**

It has been well said that timing is everything, but what’s clear is that most investors remain unaware of the significant impact of time on their investments. They study everything about price, fundamentals, and technical, trying to understand the potential for future value of a stock, but what they pay little attention to that first word, FUTURE.

The future is a function of time, and it’s everything that happens in-between the time you buy and the time you sell that will determine the profits you make, or the money you lose.

That’s why I have spent decades perfecting my Fourth Dimension timing tool. As you know, TIME is called the fourth dimension of measurement. Time is something we are aware of as we move about this world, but it’s not something we think of when discussing investing.

Perhaps we could dramatize how time can impact our investments:

Suppose you have a friend who’s been planning to buy his dream car for years. Let’s name him Bob. After studying it all out and saving for the big day, your friend finally heads off to the dealership, plunks down his money and steps into the car of his dreams. It was expensive, but some things he figures are oh so worth it. As he drives away, everything about it, the ride, the feel, the look, couldn’t be more perfect. Bob zips down the highway in the smoothest and most steady ride he’s ever experienced on four wheels, and now he’s on his way to pick up his wife for a wonderful ride and dinner date.

Unfortunately, Bob hits rush hour, and along with all the dent and ding vehicles around him, traffic slows to a crawl; stop and go between 0-22 MPH. In spite of this little snag, Bob acknowledges people around him admiring his shiny new ride, and the pride of ownership isn’t at all damped by a little slow and go traffic.

But a storm starts moving in. Just some dark clouds at first, but those are soon followed by high winds and blowing dust. The shine is gone, but a car a few minutes from home will take care of it.

Five minutes later however, the storm turns into heavy rain and pea sized hail pelting his new car and everything as far as the eye can see.

Panic sets in as ice bounces off his muddy hood, but there’s nothing to he can do right now, except look for the next off ramp and hopefully some shelter for his very expensive pride and joy.

Bad soon turns to worse however as the guy behind Bob, who was distracted by the weather and traffic, looked away momentarily to adjust his radio, and didn’t see traffic had come to a complete and sudden stop. Bob’s head snaps back as his rear bumper caves in, and in turn, his dream car lurches forward into the guy in front. It takes nearly 45 minutes for the police to arrive and another half hour to fill out all the paper work in the rain.
By the time Bob finally makes it home to his wife, his dream car is covered in tiny dents, muddy, nearly bumper-less, and in a very short time, it’s all become an overly expensive ride that Bob doesn’t want to talk about.

Now, perhaps you’re wondering what does this story have to do with investing, and more specifically have to do with TIME?

Everything actually.

Imagine how the outcome of the story could have changed had our friend chosen not to drive his new car during rush hour. He knew it would be busy, but was surprised it was heavier than normal. Additionally, the weatherman had predicted a heavy storm warning for the rush hour drive home, but Bob never listened to the forecast that day. A storm any other time of the day would have been fine, but it came right when Bob was heading home.

Our driver also chose the path of least resistance, the freeway in this case, as his route home. That’s because it is the only road he has ever taken home and because he believes it to be the fastest. That choice delayed him and Bob could have been home before the storm had he chosen to take another arterial road.

There were a multitude of things working against a good outcome for Bob right from the start, but he was so focused on his purchase, he never saw them coming. His purchase was a good one, one of the best money could buy, but because of events he could not control during the time between his purchase and his arrival home, his fine ride was turning into a painful lesson on loss.

Yes, stuff happens. But most of what’s going to happen in the market is already showing up on the radar. A majority of market altering influences are going to come from calendar based economic announcements and their pre and post market reactions. The good news is, we can determine the size and direction of that influence and reaction beforehand and with that, straightforwardly take action so we can enjoy the ride and most importantly, avoid the cliffs.
A LITTLE HISTORY

I came across some very successful options traders who had been following the cycle work of James Hurst, a pioneer in market cycle research. They were trading options each time market cycles were either topped or bottomed. It had made them a fortune, but it was tediously slow keeping up with all the calculations it required.

They found out about my work developing voice analysis software for Speech Therapy and asked to meet me. They were convinced (rightly so) that there had to be a way my software could be adapted to help them quickly find all the cyclical activity in the stock market, just like it was helping hearing impaired clients see the patterns in their voice.

What we found when we applied my cyclical analysis algorithms to the markets (after many adjustments to the code) was that key cycles were always forming around quarterly earnings, options expirations, weekly trading, trading hours, holidays, Fed meetings, etc.

It turned out, that it wasn’t the actual time of each event that mattered, but the influence of all those cycles together that determined market direction and strength!

Fortunately, we found that my software could in fact be adapted to not only do the hard analysis work, but to project the combined influence on the markets all of those cycles would have into the future!

MTP (Market Turn Point) as the tool as is now called, identifies and plots cycle activity that is exceptionally accurate at showing when markets are ready to move down, and when it’s time for them to turn up. We use it to Forecast not only the direction, but the power behind all of the upcoming moves.

Here’s a simplified look at a chart where cycles indicated several buying and selling points during the bull market during a small 8 month period:
In this simplified chart, there are 3 key cycles indicated – an 8, 36, and 58 day cycle, plotted below the SPX chart. Imposed over the top of the SPX in the upper frame, is a summation of those three waves which accurately predicted each entry point into the upcoming bullish move. Note how that summation wave formed a deep lows every time all three waves were close to their own troughs:

While we actually follow five different waves at a time, these have been incredibly accurate predicting market highs and lows over the past 20 years I’ve been posting them. The timing of these lets us know in advance whenever markets are getting ready to rise or fall.

You can see how consistent and rhythmic cycles are in their daily, weekly, and monthly undulations. Their smooth periodic wave action allows us to “project” the next market low and its expected arrival date. And while we will always validate the developing reversal, the absolute simplicity of knowing in advance what to expect makes trading an absolute joy.

Imagine knowing weeks in advance when you will have another great buying opportunity and by using the same process, knowing when it is time to start taking profits as those same cycles begin to top out.
OTHER WAYS TO RIDE THE WAVES

Even without the invaluable aid of MTP, there are still some ways create technical mechanisms that can alert you when a trend is being violated. Such an indicator could also alert you when markets are ready to rally and when you should go long the ETF.

Here’s one example of using a simple 30 day moving average to signal a market break down along with an 8 day simple average to help signal a bullish breakout:

The way we use these is as follows:

Whenever the 30 DMA is violated to the downside we sell the ETF and move to cash. When the 8 day average is exceeded on a closing basis, we go long and buy the ETF. In the example above, we are using this technique on the SSO (double beta ETF). You can see that though it’s not perfect (some whipsaws in the approach), it can help you avoid serious drawdowns, and allow you to re-enter an emerging bullish trend after the sell-off has concluded.

We could modify the approach by adding other types of stops that can self-adjust their position based on current volatility. Here’s one example that uses something called a chandelier stop:
This stop is derived by the current value of ATR (average true range) and can help you stay in a trend during minor pullbacks because its width will keep adjusting to the current daily range of the stock’s price bars. Normally, we exit whenever the intraday price of the ETF falls below that chandelier line.
A NEW INVESTING PARADIGM

In science, shifts in understanding develop when anomalies that can't be explained by current rules, create the need for a new theory to understand them.

For example, at the end of the 19th century, a statement generally attributed to a physicist Lord Kelvin famously claimed, “There is nothing new to be discovered in physics now. All that remains is more and more precise measurement.”

Five years later Albert Einstein published his paper about relativity and rewrote the rules laid down by Newton mechanics that had been in use for 200 years.

The world of investing is not much different.

Fundamental and technical analysis go all the way back to the turn of the century with Charles Dow. Yes, there have been significant improvements in the quality of data, research, and trading ease with the speed of computers and the advent of the Internet. But in reality, the tools, strategies, and methodologies we rely on for investing today are shiny revisions of decades old techniques.

That isn't really surprising. We have been taught our whole lives that the best and the brightest, who have been schooled by the best and brightest, have already worked through the hardest financial problems and created the best solutions for all our financial needs.

But is that really what you believe? Are your portfolio results the proof that shows brokers and analysts have all the best answers?

Consider the decimating financial meltdowns of 2001 and 2008. Did the pro's really know or act in the best way to handle your money through the crash?

Those bear market events were not isolated. History does repeat itself, and the next bear market may not be that too far off into the future. The difference this next time, is that you are going to know what to do and in most importantly, when to do it.

PROMISE

You are going to learn not only how to avoid all future deep and even catastrophic losses, I'm going to show you how to TRIPLE your investments during any kind of a market, bull or bear.

FIRST THINGS FIRST

Let's make sure you have an open mind needed to understand this new paradigm for investing.
Here's a simple test you need to complete as quickly as possible. In your head, without pencil or paper, add the following numbers:

1000
40
1000
30
1000
20
1000
10

If your total is 5000, you are in agreement with 95% of the people who add these numbers together.

Now add those numbers together one more time in your head.

Chances are you came up with 5000 again. In fact, your second effort probably reinforced your surety that your first answer was correct. But unfortunately, 5000 is the wrong answer.

Most of us do great adding everything up to 4090 without a problem, but we mess up the answer by not correctly carrying the one digit when we add the final 10. The correct answer is 4100.

The point is this, simple errors or a faulty approach become ingrained in our thinking and can even cause us to miss the truth that is right before our eyes.

In investing, it's flawed thinking and ingrained processes that will always cost you the most.

**BELIEVING IN SEEING, BUT SEEING CAN BE DECEIVING.**

In the example below, would you say the lines between each of the squares is parallel or wavy?
As you can probably guess, the lines are actually perfectly parallel (use a straight edge to verify it for yourself). If you see wavy lines don't feel bad, nearly everyone sees the same wavy illusion too.

What does this have to do with the stock market?

What people see within the myriad of stock market charts and data in the markets is mostly an illusion. Investors observe price action, hear news reports, are influenced by brokers, advisers, analysts, and a plethora of Internet chatter. But what they don't see is what could really be creating profits, and its hidden right before their eyes...it’s TIME.

What you are about to learn is a profound change from what you've known about the markets until now. It’s our hope that you will begin to see the market with new eyes so it can no longer trick you into giving your life savings to those who know how to use it against you.