

To Horde or to Hoard

by Fullermoney.com's Eoin Treacy to the
Market Technicians Association

San Diego April 3rd & Los Angeles April 11th





To Participate or not is the most fundamental question for any investor.

In fact, as soon as we label ourselves investors we immediately associate with the horde.



In the aftermath of any crash a significant demographic swear off investing for good. They chose to exit the group persona.

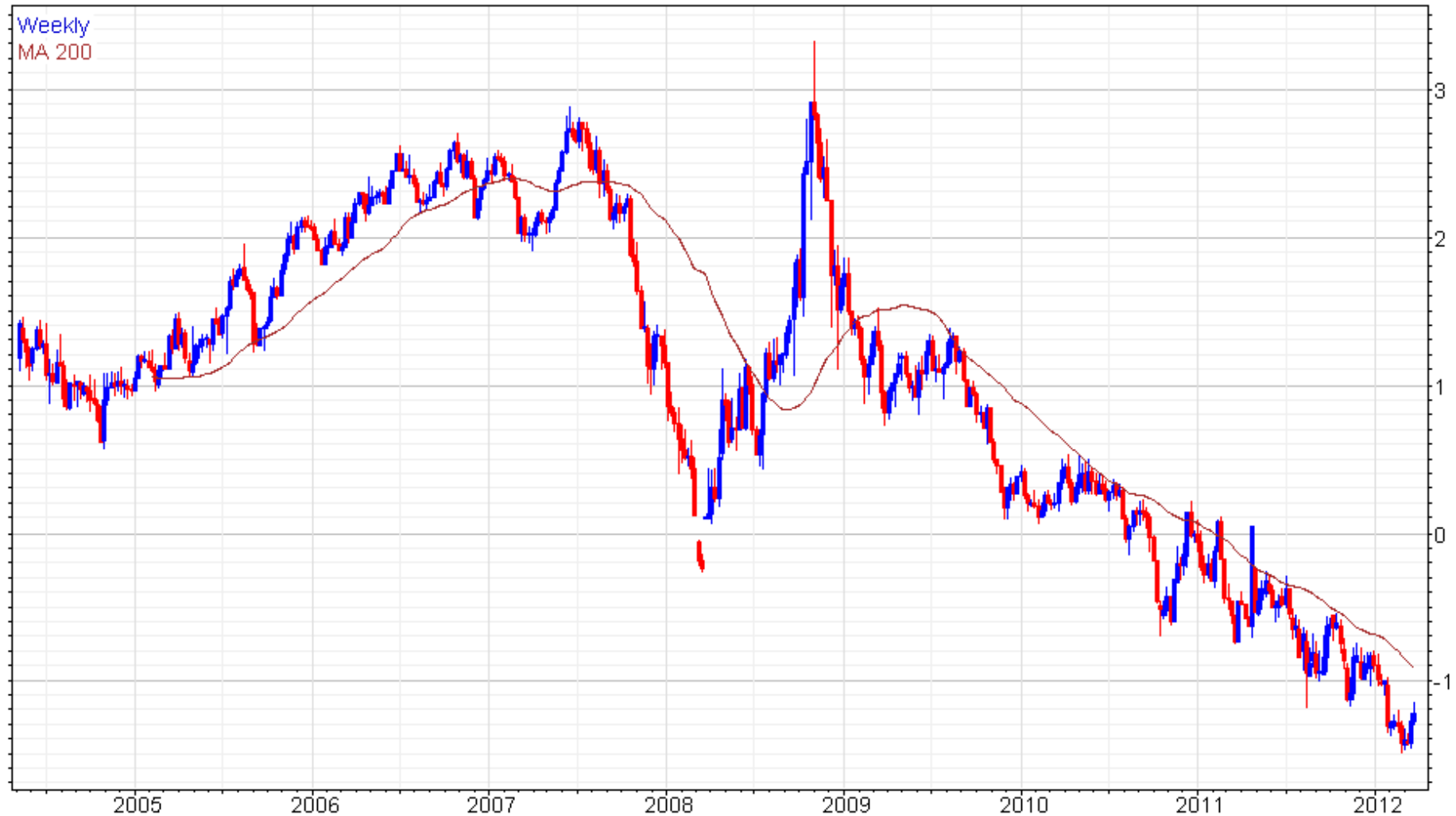
Others seek relief in a safe haven asset which is simply migrating from one crowd to another.



Negative Real Interest Rates

US 5 Year TIPS Yield (USGGT05Y) -1.2203 -0.04

www.fullermoney.com 23 Mar 2012

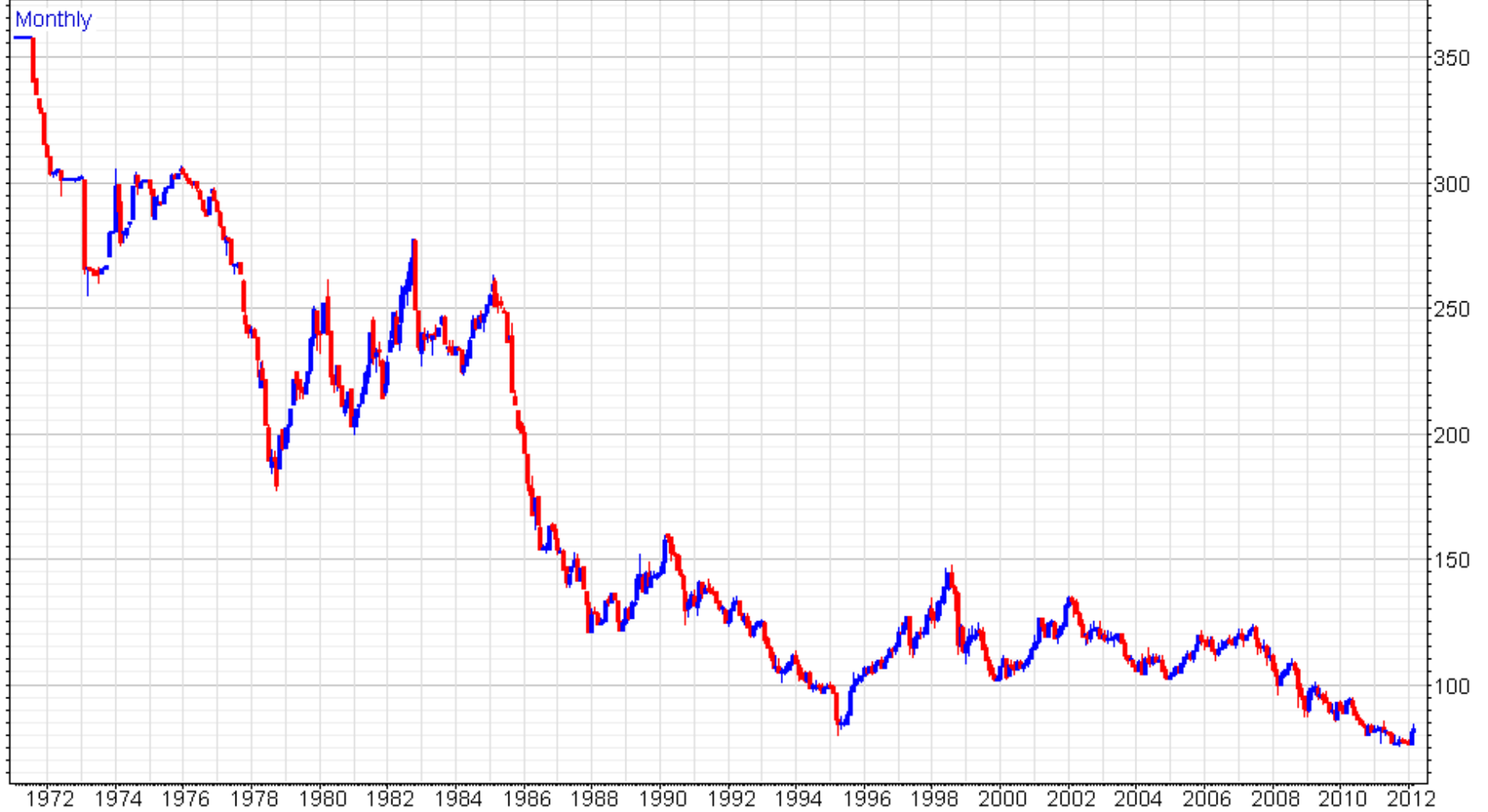




Flight to dubious quality

Japanese Yen per 1 US Dollar (JPY) 82.35 -0.19

www.fullermoney.com 23 Mar 2012





**As soon as we participate we
become part of the crowd.**

**Each crowd shares common
characteristics and develops a
unique persona.**



Experiences typically associated with joining a Crowd

- **Lower sense of personal responsibility**
- **Critical thought processes deteriorate**
- **Susceptibility to psychological contagion increases**



Characteristics of every crowd

- **Aggression – crowds only respect force**
- **Criticism – if you are not with us you are against us**
- **Manic Depressive – crowds lurch from one extreme emotional state to another.**
- **Contradiction – facts are unimportant to the crowd persona**



By interacting with the horde we must accept that we will be affected by it.

Therefore, if we are to retain our emotional equilibrium we must develop a dispassionate methodology for our investments.

At FullerMoney we rely on consistency characteristics to give us clues as to the attitude of the investment crowd.



The power of the crowd is amplified by a wide divergence between supply and demand.

Such conditions create consistent patterns in the price action



Apple (AAPL) 606.98 +10.93

www.fullermoney.com 26 Mar 2012





Anheuser-Busch InBev (BUD) 73.48 +1.33

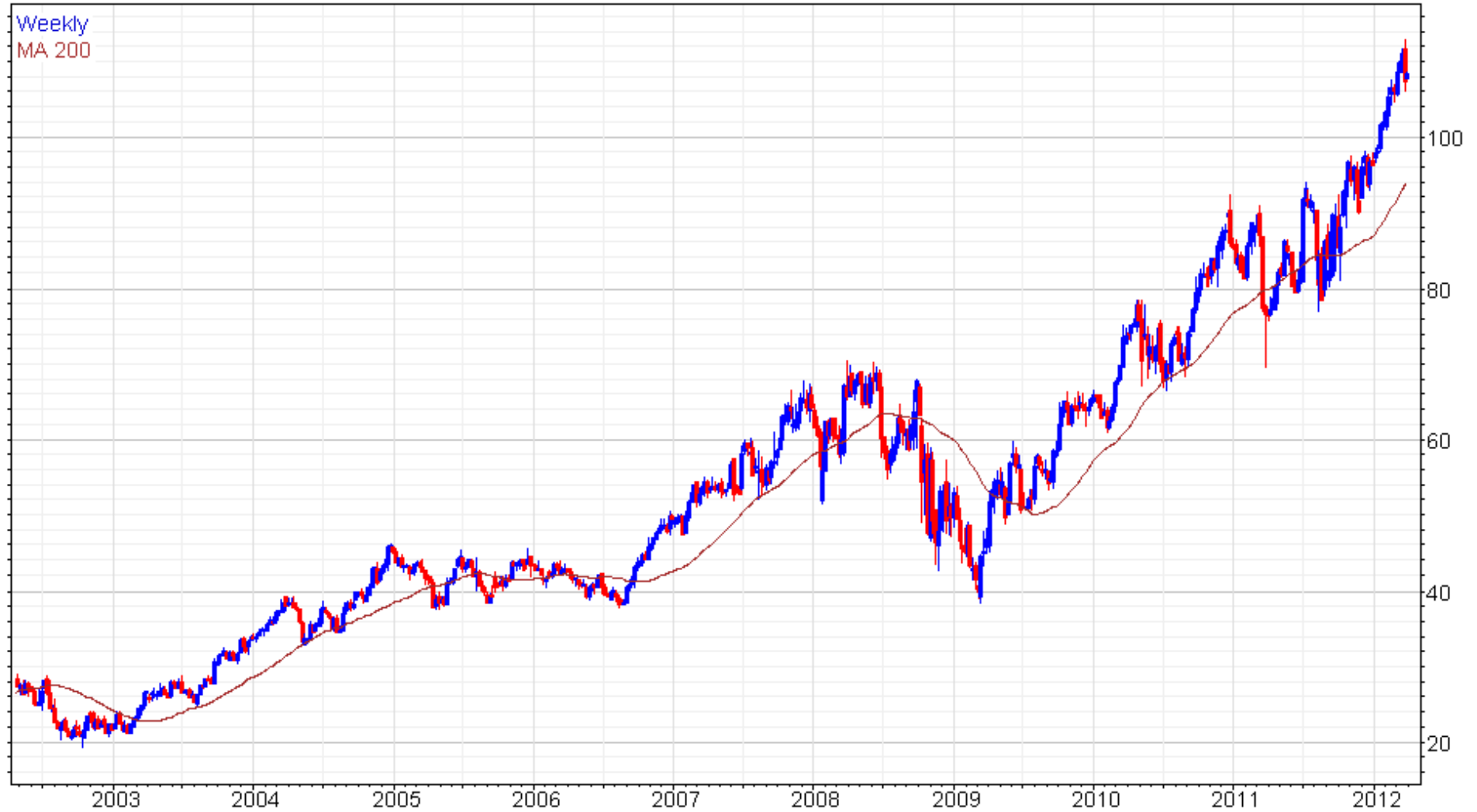
www.fullermoney.com 26 Mar 2012





Nike Inc (NKE) 108.55 +1.13

www.fullermoney.com 26 Mar 2012





Nu Skin Enterprises Inc (NUS) 55.53 -0.39

www.fullermoney.com 10 Apr 2012





Once we acquaint ourselves with the characteristics of the crowd and how they might affect us we can explore where the biggest trends are likely to develop.



London Spot Gold (GOLDS) 1686.53 -3.55

www.fullermoney.com 27 Mar 2012

Weekly
MA 200

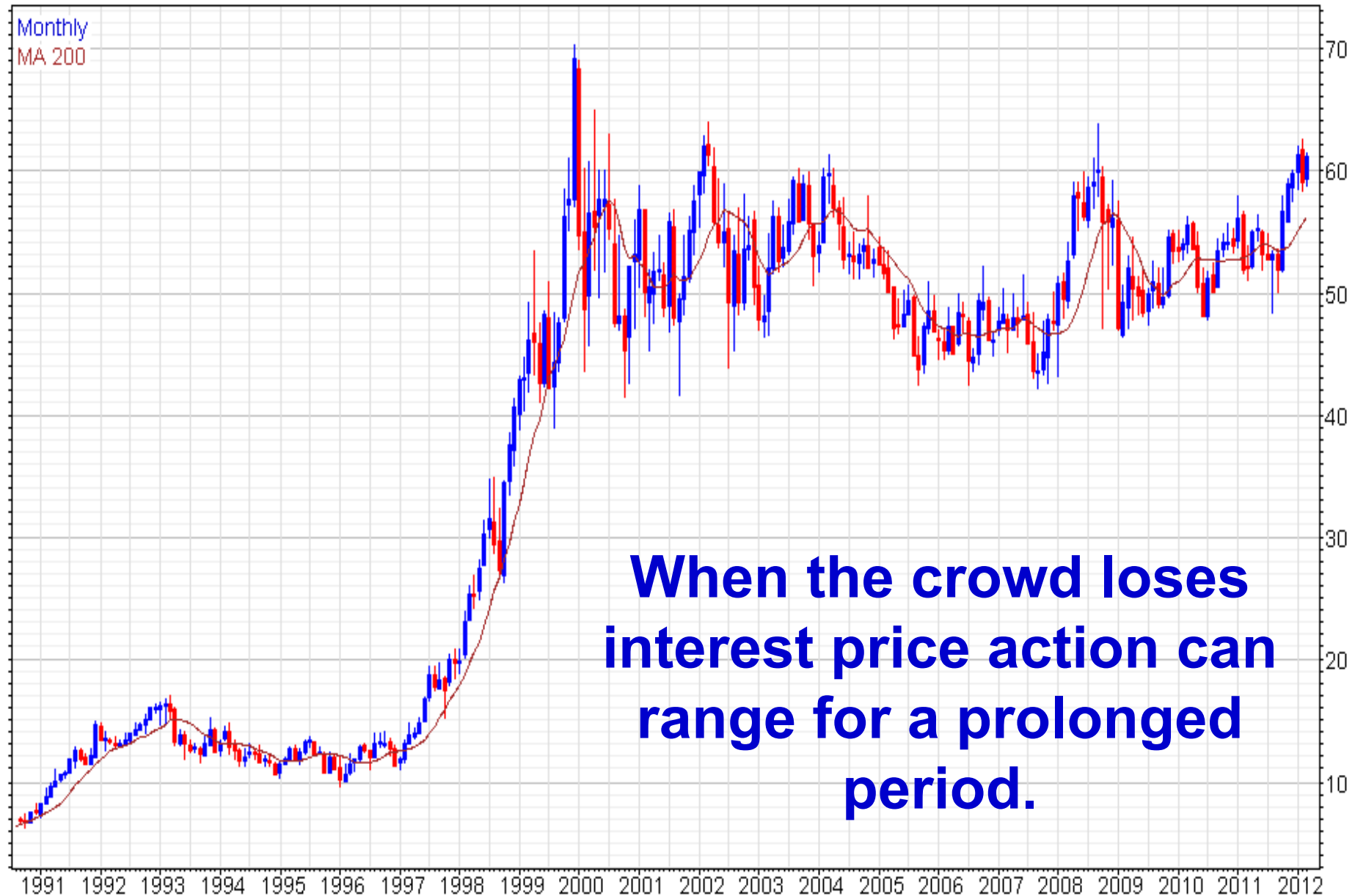
**Crowds develop a distinct
persona**





Wal-Mart Stores Inc (WMT) 61.2 +0.45

www.fullermoney.com 26 Mar 2012



When the crowd loses interest price action can range for a prolonged period.



Intel Corp (INTC) 27.983 -0.21

www.fullermoney.com 28 Mar 2012





S&P 500 Banks Index (S5BANKX) 158.97 +2.95

www.fullermoney.com 26 Mar 2012



Crowds can dissipate quickly



NASDAQ BIOTECHNOLOGY INDEX (NBI) 1288.09 +22.68

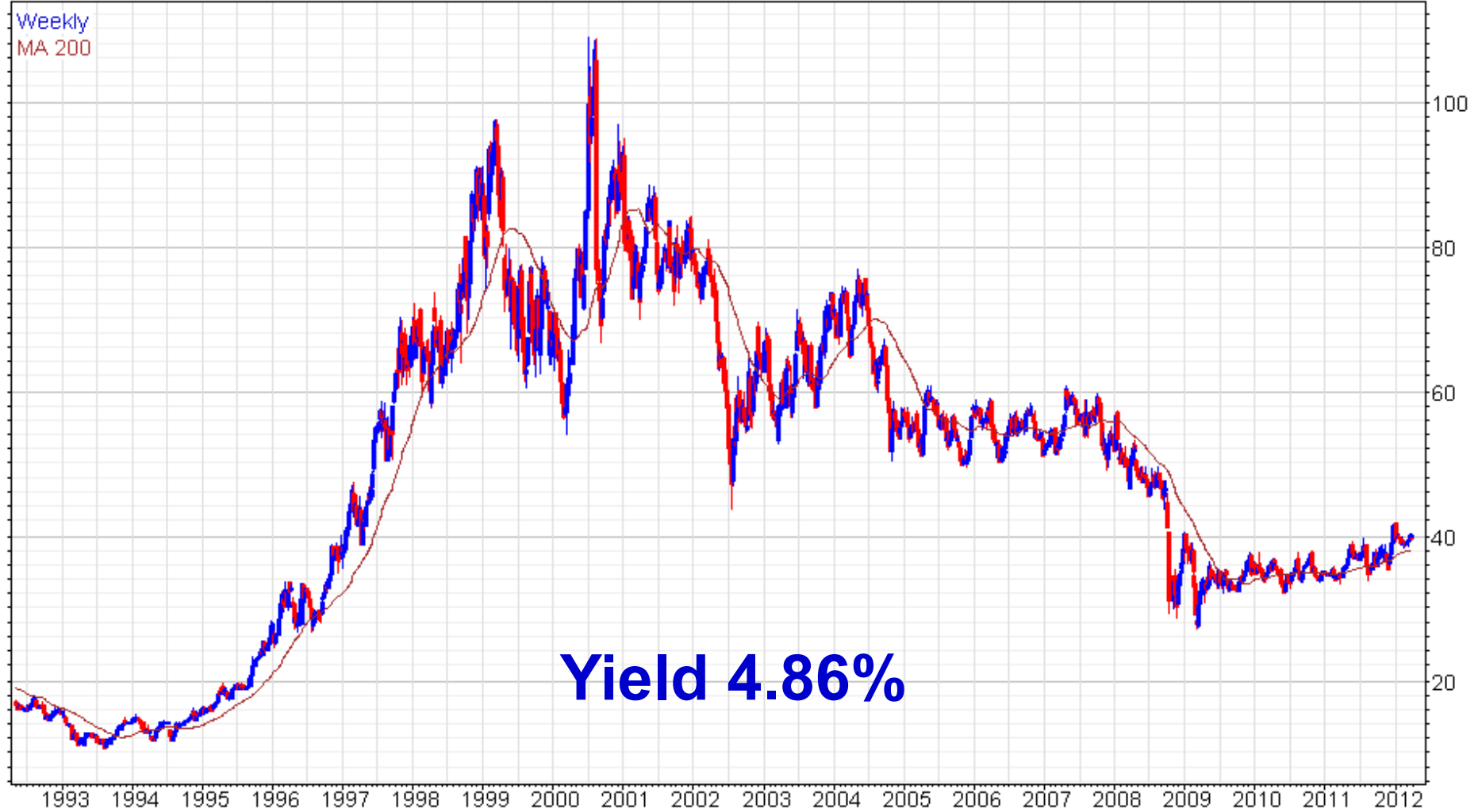
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Eli Lilly & Co (LLY) 40.27 +0.40

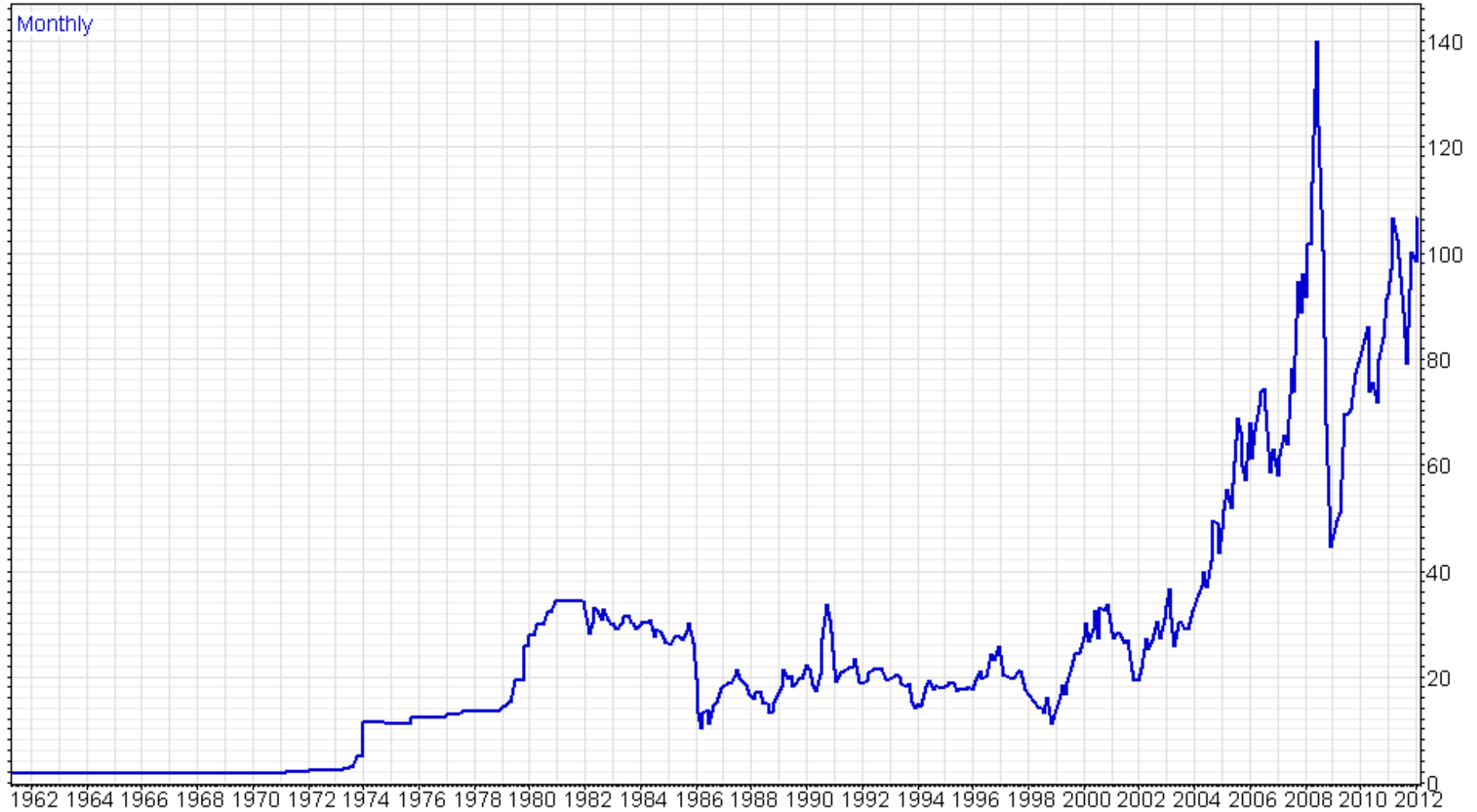
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Bloomberg Crude Oil Historical Price (OILPHIST) 107.07 +8.59

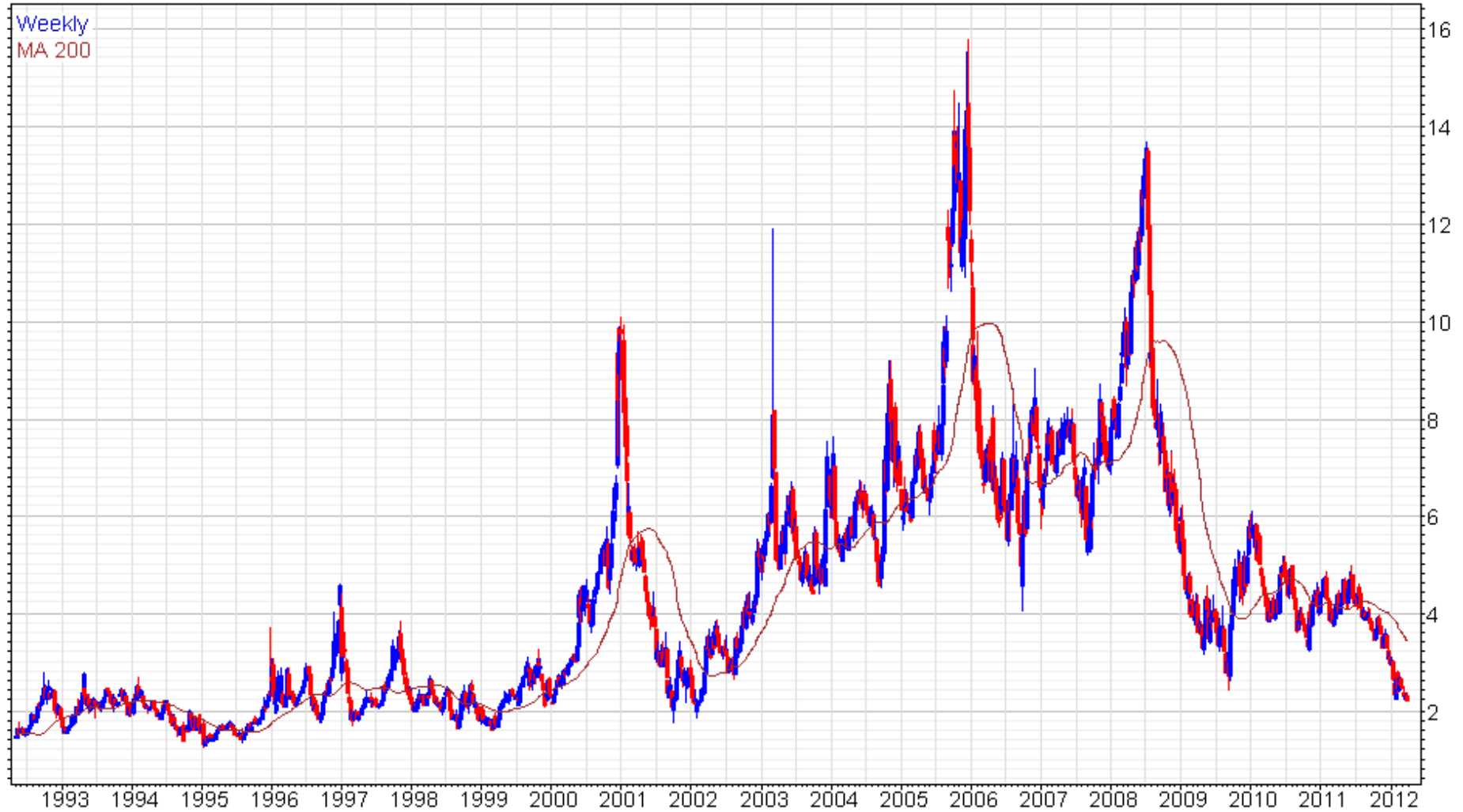
www.fullermoney.com 29 Feb 2012





Natural Gas NYME 1st Month Continuation (NG1) 2.226 -0.05

www.fullermoney.com 26 Mar 2012





Teekay LNG Partners LP (TGP) 39.4 +0.16

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Thank you very much

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Strategy Service produced by
David Fuller
&
Eoin Treacy

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