



"You First"

Today is Tuesday August 23 and it is 3pm.

The major averages continue to show resilience as buyers appear to continue to remain in control. From a trend standpoint all major averages remain above their respective short, intermediate and long term trend lines. Consequently, I remain positive.

As we close out the summer and the kids return to school, we appear to have missed the much anticipated summer swoon. This is one example of why I look at the actual trends and don't rely on predictions or pundit opinions. Had one listened to the pundits, you would have missed the continued summer rally.

Volatility remains near historical lows, In fact, over the past 5 years on a 30 day volatility basis, there is but only one day where volatility is lower than it is today. 7/2/2104.



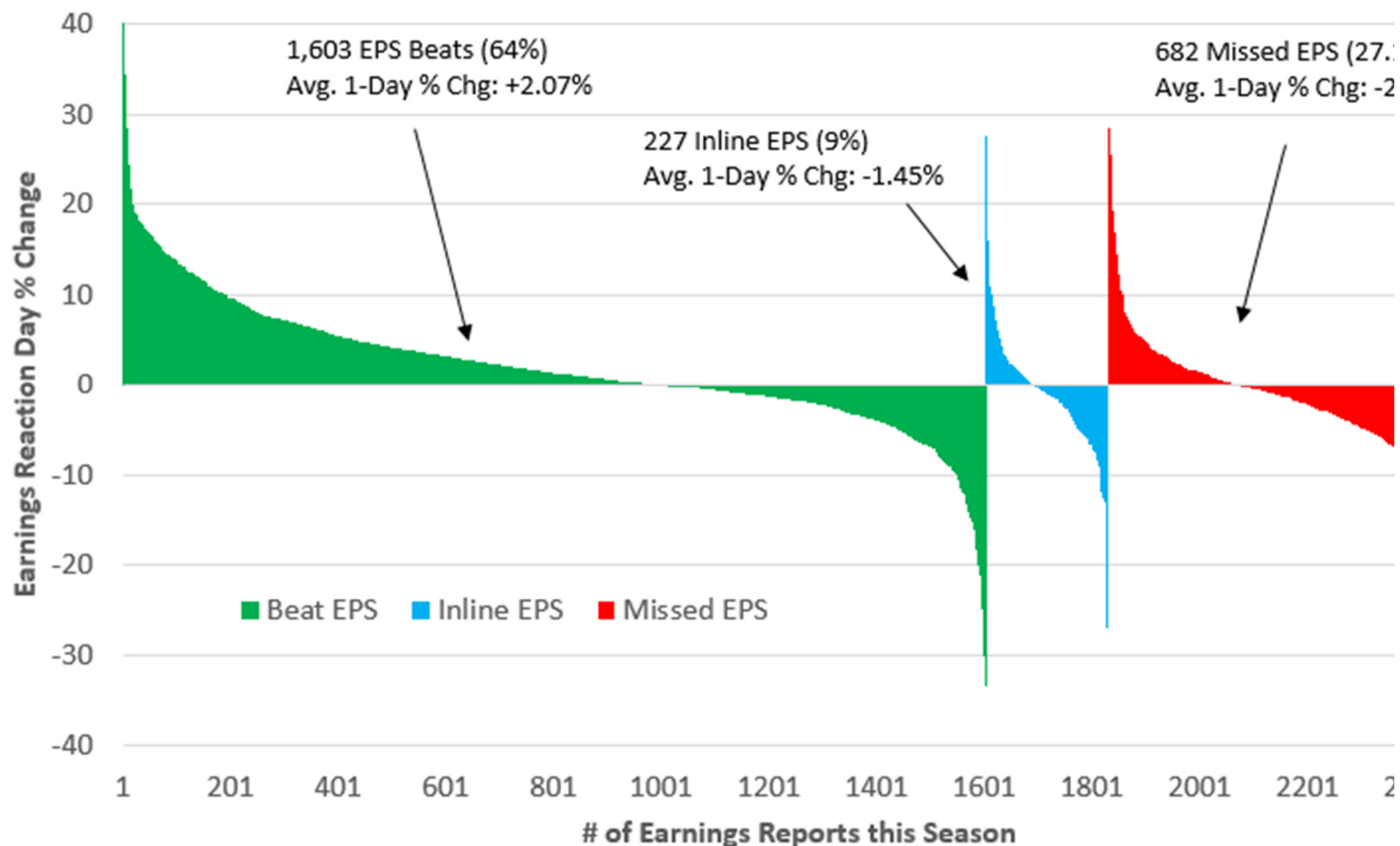
Yet there remains no shortage of pundits calling for an imminent collapse for one reason or another. Many are saying that this current period of low volatility will inevitably result in a period of much higher volatility resulting in a significant market correction. For these people I like to refer back to Sir John Templeton.

"Bull Markets are born on pessimism, grow on skepticism, mature on optimism and die on euphoria."

So on a macro level, I think we would all agree that there is little sign of economic optimism and no sign of euphoria at the current time. It seems all we hear about is the current dismal GDP growth and the lack of well-paying jobs. So using the John Templeton theory, again, I remain optimistic.

On a fundamental level, let's look at Q2 2016 Earnings Season. From Bespoke.com, below is the distribution chart showing the one-day price reaction (%) to earnings reports through August 18. Stocks that beat earnings estimates are in green, stocks that reported in line are in blue, stocks that missed are in red. The chart below shows that 73% of companies reporting either met or beat earnings expectations. So fundamentally, things are looking ok.

Distribution of Price Reaction on Earnings Report Days: Q2 '16 Earnings Season



On the home front, both Shannon and Evan have returned to college and the house is a lot quieter. Can't believe Shannon is a junior and Evan is Sophomore. Time flies when you are having fun.

Warm regards,




Edward A. McDonough MBA, CFP® | Principal



To keep up with the latest information on our news and promotions, please connect with us:



 [What's Your Risk Number?](#)

407-248-9647 | 800-741-0380 | Fax 407-248-9755 | 6000 Turkey Lake Rd Ste 212 • Orlando, FL 32819

Independent Registered Investment Adviser

Custodians: TD Ameritrade Institutional and National Financial Services LLC | Fidelity Investments
Securities Offered Through Triad Advisors, Inc. | Member FINRA/SIPC

Triad Advisors **does not accept orders and/or instructions regarding your account by e-mail, voice mail, fax or any alternate method.** Transactional details do not supersede normal trade confirmations or statements. E-mail sent through the Internet is not secure or confidential. Triad Advisors reserves the right to monitor all e-mail.

Any information provided in this e-mail has been prepared from sources believed to be reliable, but is not guaranteed by Triad Advisors and is not a complete summary or statement of all available data necessary for making an investment decision. Any information provided is for informational purposes only and does not constitute a recommendation. Triad Advisors and its employees may own options, rights or warrants to purchase any of the securities mentioned in e-mail. This e-mail is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this message in error, please contact the sender immediately and delete the material from your computer.