

SPECIAL REPORT

MAJOR CATALYST EVENT / TRAJECTORY ANALYSIS

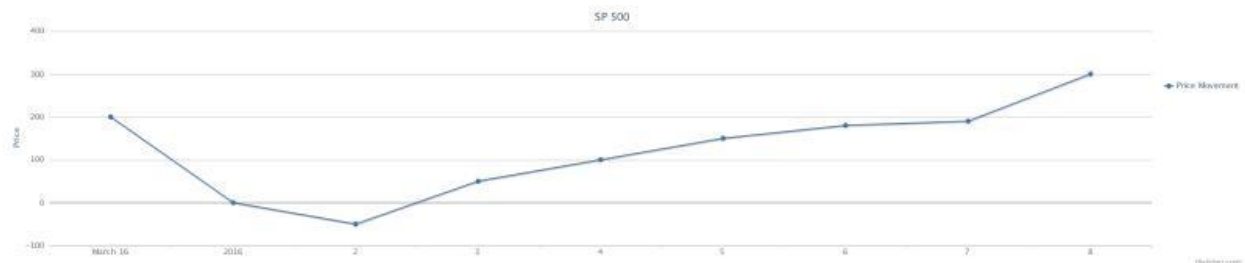
SPECIAL REPORT – FOR IMMEDIATE RELEASE

UPDATED: March 15 2016

UPDATE:

After running the trajectory analysis models over-night... we are revising our position slightly and see the S&P 500 tracking down initially for a short period and it reverses and gains momentum in an upward trajectory. (If the initial move is to the downside per the data we will wait to enter any associated long position until after this bottoms).

Trajectory model for S&P 500 (March 16, 2016) based on FED catalyst



FOMC - FEDERAL RESERVE MEETING ON INTEREST RATES

This is a much anticipated event that we are trading based on our data and trajectory analysis. Will the FED raise rates and if so what is the effect on markets? Some members will be trading the various VIX instruments including Futures for DOW and S&P as well as index stocks like the SPY. In keeping with the StockJumpers focus and for the purposes of our trajectory analysis study and keeping things simple we narrowed our trades to VIX ETFs - XIV and TVIX.

Commentary: Some comments about the importance of this event before we get into the Trajectory Analysis. The bull market is in its seventh year. Most all the gains in recent years – as well as the recent market sputter – may be explained by just one thing: monetary policy. The S&P 500 doubled in value from November 2008 to October 2014, coinciding with the Federal Reserve Bank's "quantitative easing" asset purchasing program. After three rounds of "QE," where the Fed poured billions of dollars into the bond market monthly, the Fed's balance sheet went from \$2.1 trillion to \$4.5 trillion. This is important, because the market no longer acts independently and the FED knows this and is careful and calculated about what it says and hints in its releases. In other words, everything it says (and actually does) is motivated by the impact potential on the markets and it wants to keep the party going for as long as possible. So, what does that mean to a trader? It means you better be paying attention to what they say and intend to do... and be on the right side of it. Words do move the markets.

StockJumpers trajectory analysis – reveals that the FED is better than even money to hold the line on a rate increase but will announce plans to continue to increase rates later this year. Employment numbers look good (supposedly) and though the oil crash has affected markets, this will not stop the inevitability of the FED to raise interest rates. The amounts to be phased in are likely to be .25 basis points at the next meeting. We anticipate they will hint about more and they will

re-state their flexible policy to insure market stability (the really key thing the markets want to hear is that the money will continue to flow if needed). We think the markets get that message loud and clear regardless of any rate increases – and that is the steam that drives the rally. The money train is still there ready to roll. We see a minor market rally from this posture –even though it may not last. The market responds to forward guidance and the S&P will climb initially. StockJumpers calls for a BUY on positive market rally instruments like XIV which is an inverse VIX index and a brief sell down of TVIX. We expected our data to show a negative market sentiment to the release – but we were wrong. The market may rally vs drop and we would not be surprised to see a nice spike up across the board following the Yellen news conference. Entry for any instrument may be best made just prior to the news release and adjusted during or following as the reaction may build momentum. You should have time to adjust any open positions. Trade cautiously here as the market is very fickle and any gains are sure to be evaporated with the next news out of China or oil.

Anticipated Timing for Release – March 16, 2016 2:00-2:30pm EST - Fed Press Conference



STOCK PRICE/HISTORY:

Trading Range (52wk)	5.31-20.00
Average Daily Volume	12 M
Net Assets	399.42 M

The investment seeks to replicate, net of expenses, the returns of twice (2x) the daily performance of the S&P 500 VIX Short-Term Futures index. The index was designed to provide investors with exposure to one or more maturities of futures contracts on the VIX, which reflects implied volatility of the S&P 500 Index at various points along the volatility forward curve. The ETNs are linked to a multiple (2x) of the daily return of the index and do not represent an investment in the VIX.

STOCK PRICE/HISTORY:

Trading Range (52wk)	15.36-50.10
Average Daily Volume	24.53 M
Net Assets	1.14 B

XIV seeks to replicate, net of expenses, the inverse of the daily performance of the S&P 500 VIX Short-Term Futures index. The index was designed to provide investors with exposure to one or more maturities of futures contracts on the VIX, which reflects implied volatility of the S&P 500 Index at various points along the volatility forward curve. The calculation of the VIX is based on prices of put and call options on the S&P 500 Index. The ETNs are linked to the daily inverse return of the index and do not represent an investment in the inverse of the VIX.

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