Monthly Monitor

NIEMANN
CAPITAL MANAGEMENT

MARKET SNAPSHOT

June closed out the first half of 2017 with global markets posting a fairly solid month. In the US, most broad market indices finished in the black with the exception of the tech-heavy NASDAQ 100 (QQQ) which lost more than 2% for the month. Overseas, emerging markets led developed markets for the first time in months, with the widely followed iShares Emerging Market ETF (EEM) outperforming the Developed Market ETF (EFA).

MARKET VITALS

The majority of market internals remain solid and indicate further upside in the markets:

- The percentage of stocks in an uptrend (our most heavily weighted market-risk variable) remains in bullish territory at 60%, the same level as last month.
- All the various breadth measures we monitor—including advance/decline lines, new highs vs. new lows—remain in the bullish camp.
- Int'l markets continue to look a bit stronger compared to the US, based on market internals.

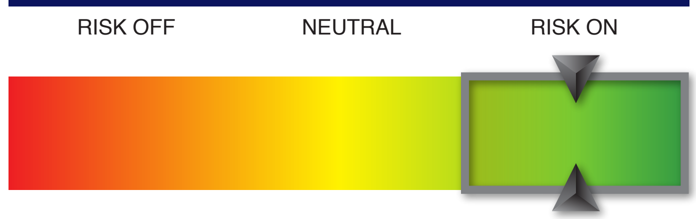
US EQUITIES

- Broad market indices set highs early in the month and then traded lower over the last two-thirds of the month while testing (and failing) to take out resistance a number of times in June.
- Six out of 10 SPDR sector ETFs delivered positive returns for the month.
- Looking at sectors, financials and healthcare led the upside; technology and utilities lagged.
- Leadership continues to change on a short-term, month-to-month basis.

INTERNATIONAL EQUITIES

- International markets continue to show upside momentum in 2017, as well as a bit of a shift in short-term leadership.
- Year to date, overseas markets continue to be led by the Eurozone, with Spain and France leading the way.
- 84% of country-specific ETFs in our universe continued on an uptrend, up a tick from last month.
- China A Shares (ASHR) and Greece (GREK) were the strongest performers.

RISK BAROMETER



Risk Barometer – An illustrated snapshot of current market conditions, risk levels, based on Niemann's proprietary risk-management analytics.

Risk Off – Elevated risk in the current equity market environment, taking on risk not advisable.

Risk On – Lower risk in the current equity market environment, constructive for taking on more risk advisable.

S&P 500 SECTORS

SPDR SECTORS	RISK OFF	NEUTRAL	RISK ON
MATERIALS			
CONSUMER DISC			
CONSUMER STAPLES			
FINANCIALS			
HEALTHCARE			
INDUSTRIALS			
ENERGY			
TECHNOLOGY			
TELECOM			
UTILITIES			

INT'L MARKETS

MARKETS	RISK OFF	NEUTRAL	RISK ON
DEVELOPED			
EMERGING			
FRONTIER			

Past performance does not guarantee future results.

Data Provider: *Online Advisors, a software development company affiliated with Niemann Capital Management, was created specifically to provide technology development for money managers, financial advisors and broker/dealers, including Niemann. This information was obtained from sources that Online Advisors believes to be reliable, but its accuracy and completeness are not guaranteed.*

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CONCLUSION

As the first half of 2017 came to a close, markets continued to trend higher. Yet we've seen an underlying churn in terms of short-term leadership both domestically and abroad. The result has been some short-term relative performance issues in some of Niemann's strategies. While it's easy to get caught up on short-term, comparative returns, it's more important to maintain a focus on long-term goals.

Longer-term uptrends for the broad markets in the US remain in place for the S&P 500 (SPY) and the NASDAQ (QQQ) even with the technology selloff that took place the last few weeks of the month. Taking a look under the hood, 2017 sector leadership remains in technology, despite dramatic underperformance since its peak on June 9. The jury is now out as to whether this relative weakness is a mean reversion or possibly a much more consequential rotation of leadership. Only time will tell. The good news as we enter the second half of 2017 is that historical odds overwhelmingly favor further gains in the second half of the year, based on S&P index returns dating back to 1961. Historically, the S&P has continued to deliver positive returns for the second half of the year 78% of the time it delivered positive returns over the first half of the year. This contrasts the 41% of rate of positive returns in the second half of the year when the S&P was down the first of the year.

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